

Vol 1842

United States

Circuit Court of Appeals

For the Ninth Circuit. /

STANLEY S. ANDERSON,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

Transcript of the Record

Upon Petition to Review an Order of the United States
Board of Tax Appeals.

FILED
NOV 13 1933
PAUL P. O'BRIEN,
CLERK

United States
Circuit Court of Appeals
For the Ninth Circuit.

STANLEY S. ANDERSON,

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COMMISSIONER OF INTERNAL REVENUE,
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[Clerk's Note: When deemed likely to be of an important nature, *errors* or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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APPEARANCES:

For Taxpayer:

E. P. ADAMS, C. P. A.,
JOSEPH D. PEELER, Esq.,
WARD LOVELESS, Esq.

For Comm'r.:

R. W. WILSON, Esq.,
O. W. SWECKER, Esq.

Docket No. 42053

STANLEY S. ANDERSON,

Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

DOCKET ENTRIES.

1928

Dec. 24—Petition received and filed. Taxpayer notified. (Fee paid)

“ 27—Copy of petition served on General Counsel.

1929

Jan. 30—Answer filed by General Counsel.

Feb. 19—Copy of answer served on Taxpayer. Circuit Calendar.

1932

Apr. 14—Hearing set for Los Angeles, California beginning June 6, 1932.

Jun. 14—Hearing had before C. P. Smith, Div. 5 on merits. Submitted. Amended petition

- received and served. Briefs due 60 days from date. Reply 30 days after. Board not to serve. Calendar called June 6, 1932.
- Jul. 15—Motion for extension of 60 days after receipt of transcript to file brief, filed by taxpayer. 7/16/32 granted to Oct. 1, 1932.
- Aug. 26—Order that parties be granted an extension to Oct. 15, 1932, to file briefs entered.
- Oct. 11—Motion for extension of 40 days after receipt of transcript to file brief filed by General Counsel. 10/12/32 granted to December 15, 1932.
- “ 15—Brief filed by taxpayer.
- Dec. 14—Motion for extension of 40 days after receipt of transcript to file brief filed by General Counsel. 12/19/32 granted.
- “ 30—Order extending time to March 1, 1933 to file respondent's brief, entered.
- 1933
- Mar. 1—Brief filed by General Counsel.
- May 6—Transcript of hearing of June 14, 1932 filed.
- “ 24—Findings of fact and opinion rendered, C. P. Smith, Div. 5. Judgment will be entered for the respondent.
- “ 26—Decision entered, Charles P. Smith, Div. 5.
- Jun. 26—Motion to fix amount of bond at not more than \$47,000 filed by taxpayer.
- “ 27—Order fixing amount of bond at \$47,000 entered.
- Aug. 17—Petition for review by U. S. Circuit Court of Appeals (9) with assignments of error filed by taxpayer.

1933

- Aug. 17—Proof of service filed by taxpayer.
- Sep. 7—Notice of appearance of Ward Loveless, attorney for taxpayer filed.
- “ 7—Statement of evidence lodged. [1*]
- “ 7—Notice of lodgment of statement of evidence for hearing Sept. 20, 1933.
- “ 7—Praeceptum of record filed.
- “ 7—Proof of service of praecipe filed.
- “ 16—Objection and exception to praecipe filed by General Counsel.
- “ 16—Objection and exception to statement of evidence filed by General Counsel.
- “ 20—Hearing had before Mr. Trammell, Div. 2 on approval of statement of evidence. Referred to Mr. Smith.
- “ 21—Amended praecipe filed by taxpayer.
- “ 21—Proof of service of amended praecipe filed.
- “ 22—Agreed statement of evidence approved and ordered filed. [2]

United States Board of Tax Appeals

Docket No. 42053

STANLEY S. ANDERSON,

Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

PETITION.

The above named petitioner hereby petitions for

*Page numbering appearing at the foot of page of original certified Transcript of Record.

a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency IT:AR:B-4 dated November 1, 1928, and as a basis of his proceeding alleges as follows:

1. The petitioner is an individual, with his principal office at 1341 Benedict Canyon Road, Beverly Hills, California.

2. The notice of deficiency (a copy of which is attached and marked Exhibit A) was mailed to the petitioner on November 1, 1928.

3. The taxes in controversy are income and profits taxes for the calendar year 1924 and 1925 and for \$28,789.20. [3]

4. The determination of tax set forth in the said notice of the deficiency is based upon the following errors:

a. Increase in taxable income of the petitioner by including therein income of Marguerite S. Anderson, his wife, from real estate ventures.

b. Failure for the year 1925 to determine and give effect to capital gain limitation for portion of profits realized from real estate ventures.

5. The facts upon which the petitioner relies as the basis of this proceeding are as follows:

a. The taxpayer acting jointly for himself and Marguerite S. Anderson, his wife, purchased interests in real estate syndicates or ventures, such interests being at time of such purchase and at all times subsequent thereto 50% Stanley S. Anderson and 50% Marguerite S. Anderson, and were as follows:

Christie-Anderson-Janss	1/4
-------------------------	-----

Christie Film-Janss	1/6
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The syndicates or ventures are described in summary as follows:

Christie-Anderson-Janss:

The Janss Investment Company was the owner of 120.5 acres, more or less, in subdivisions 3 and 4 of the [4] Rancho San Jose de Buenos Aires situated in the vicinity of what is now known as Westwood. On September 1, 1923 an agreement was entered into between the Janss Investment Company, Charles H. Christie and this taxpayer whereby a one-half interest in said 120.5 acres, more or less, was sold to Charles H. Christie and this taxpayer, representing himself and Marguerite S. Anderson, his wife, for a consideration of \$180,-750.00, payable as follows:

September 1, 1923	\$10,000.00
October 1, 1923	10,000.00
October 14, 1923	40,250.00
Two notes payable in 3 years, interest at 7% per annum, of \$60,250.00 each	120,500.00

Total	<u>\$180,750.00</u>
-------	---------------------

This taxpayer on his own behalf and on behalf of Marguerite S. Anderson made payments from joint funds as follows:

September 5, 1923	\$ 5,000.00
October 1, 1923	20,125.00
November 2, 1923	5,000.00
September 6, 1924	941.75
	<hr/>
Total	\$ 31,066.75

And as of September 1, 1923 said taxpayer and Marguerite S. Anderson executed a note payable [5] to Holmby Corporation, in the sum of \$62,020.00, maturity on or before three years, with interest at 7% payable semiannually.

On September 10, 1923, a selling agent's agreement was made between the Janss Investment Company, Charles H. Christie and the taxpayer as owners and the Janss Realty & Finance Company, as agent. Under this agreement the agent should subdivide, improve and sell the property above referred to.

Christie Film-Janss.

As of September 1, 1923, Charles H. Christie entered into a purchase agreement with the Janss Investment Company for 107 acres, more or less, situated in the Rancho San Jose de Buenos Aires, for a consideration of \$321,000.00, and Charles H. Christie in turn agreed to sell to the taxpayer a one fourth interest in said property, whereupon this taxpayer became a party to said agreement.

The terms of said purchase contract were as follows:

September 1, 1923	\$ 25,000.00
October 1, 1923	25,000.00
October 14, 1923	57,000.00
Notes payable on or before 3 years, interest at 7%	214,000.00
	<hr/>
Total	\$321,000.00

[6]

The taxpayer on his own behalf and on behalf of Marguerite S. Anderson made from joint funds cash payments as follows:

September 5, 1923	\$ 6,250.00
October 1, 1923	6,250.00
October 14, 1923	14,250.00
	<hr/>

Total \$26,750.00

And as of September 1, 1923, this taxpayer and Marguerite S. Anderson assumed one fourth of the note and mortgage of \$207,250.00.

As of November 7, 1923, the Janss Investment Company repurchased a one third interest in 66.429 acres of this property, 37.837 acres having been set aside as a studio site by Charles H. Christie and this taxpayer, the difference between the total of 107 acres as set out in purchase agreement arising from actual survey of tract, showing a total of 104.266 acres, and the sales price was adjusted accordingly.

This property was also to be subdivided, improved and sold as in the case of Christie-Anderson-Janss.

As contemplated under the selling agent's agreement the properties were subdivided, improved and placed on sale by the Janss Realty and Finance Company, and beginning with August, 1924 monthly statements of the [7] selling agent's accounts were furnished the owners, showing status of the properties. On the selling agent's books the owners were charged with the notes issued on purchase price of the properties and off-setting liability to Holmby Corporation, and as interest accrued on these notes, taxes were paid, etc., charges were made to these personal accounts.

At the end of the year 1924 an account was opened for each owner to which was credited such owner's proportion of the realized profit from the installment sales. The status of these accounts at the end of the taxable years were as follows:

Christie-Anderson-Janss:

Year	Debit	Credit
	Personal Accounts	Realized Profit a/c
1924	\$71,082.04	\$44,758.38
1925	73,007.52	90,520.53

Christie Film-Janss:

Year	Debit	Credit
	Personal Accounts	Realized Profit a/c
1924	\$43,487.21	\$20,618.56
1925	59,390.09	36,397.88

As of December 31, 1925 the taxpayer and Marguerite S. Anderson had received in cash from these syndicates \$15,000.00, \$5,000.00 of which being in 1924 and [8] \$10,000.00 in 1925. Prior to the year 1925 the taxpayer had not kept regular books of account, but beginning with the first of the year 1925 books were opened and maintained to this date, such books showing all cash receipts and payments. In the preparation of income tax returns for the year 1925 50% of total cash received from these syndicates was reported as income by each the petitioner and Marguerite S. Anderson and the same procedure followed for the years 1926 and 1927, these amounts being as follows:

1925	\$10,000.00
1926	54,492.74
1927	89,000.00

In the audit of the income tax returns of the petitioner and Marguerite S. Anderson, the respondent has disregarded the separate interests of the petitioner and Marguerite S. Anderson and proposed to assert an additional tax against the petitioner based on the inclusion in his taxable income that of Marguerite S. Anderson derived from such real estate ventures.

- b. The profits realized from the real estate ventures in part accrued from sale of property held for more than two years, and in the adjustment proposed by the [9] Respondent such profits

have not been segregated and tax computed thereon at 12½% limitation provided by law.

6. The petitioner prays for relief from the deficiency asserted by the respondent on the following and each of the following particulars:

- (a) Exclusion from his taxable income of income of Marguerite S. Anderson.
- (b) Determination of tax at capital gain rate of 12½% on income from real estate ventures on property sold which had been held for over two years at date of sale.

WHEREFORE, the petitioner prays that this Board may hear and redetermine the deficiency therein alleged.

STANLEY S. ANDERSON

Petitioner

1341 Benedict Canyon Road

Beverly Hills, California. [10]

State of California,

County of Los Angeles.—ss.

Stanley S. Anderson, being duly sworn, says that he is the petitioner above named: that he has read the foregoing petition, or had the same read to him, and is familiar with the statements contained therein, and that the facts stated are true, except as to those facts stated to be upon information and belief, and those facts he believes to be true.

STANLEY S. ANDERSON.

Subscribed and sworn to before me this 20th day of December, 1928.

[Seal] LEONARD GARBETT,
Notary Public in and for the County of Los Angeles,
State of California.

My Commission expires August 1, 19

[Endorsed]: United States Board of Tax Appeals. Filed Dec. 24, 1928. [11]

[Title of Court and Cause.]

ANSWER.

The Commissioner of Internal Revenue, by his attorney, C. M. Charest, General Counsel, Bureau of Internal Revenue, for answer to the petition filed by above-named taxpayer, admits and denies as follows:

1. Admits the averments in paragraph 1 of the petition.
2. Admits the averments in paragraph 2 of the petition.
3. Admits the averments in paragraph 3 of the petition.
4. Denies the errors alleged in paragraph 4 of the petition.
5. Admits that on September 10, 1923, a selling agent's agreement was made between the Janss Investment Company, Charles H. Christie and the petitioner as owners and the Janss Realty & Finance Company, as agent, whereby the said agent was to subdivide, improve and sell certain property; ad-

mits that as of September 1, 1923, Charles H. Christie entered into a purchase agreement with the Janss Investment Company for 107 acres, more or less, situated in the Rancho San Jose de Buenos Aires for a consideration of \$321,000.00, and that Charles H. Christie in turn agreed to sell to the petitioner a one fourth interest [12] in said property, whereupon the petitioner became a party to said agreement; that the terms of said purchase contract were as set forth on page 4 of the petition; denies that in any of the transactions recited in the petition, the petitioner acted on behalf of Marguerite S. Anderson, and denies that the said Marguerite S. Anderson assumed one fourth of the note and mortgage of \$207,250.00; denies the averments contained in paragraph 5-b; lacks sufficient information to form an opinion regarding the remaining averments contained in paragraph 5 and therefore denies said remaining averments and will demand proof thereof upon the hearing of this appeal.

WHEREFORE, it is prayed that the taxpayer's petition be denied.

(Signed) C. M. CHAREST,

General Counsel,

Bureau of Internal Revenue.

Of Counsel:

HAROLD ALLEN,

Special Attorney,

Bureau of Internal Revenue.

[Endorsed]: United States Board of Tax Appeals. Filed Jun. 30, 1929. [13]

[Title of Court and Cause.]

AMENDED PETITION.

The above named petitioner hereby petitions for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency (IT:AR:B-4:MKR-60D) dated November 1, 1928, and as a basis of his proceeding states as follows:

1. The petitioner is an individual with residence at 1341 Benedict Canyon Drive, Beverly Hills, California.

2. The notice of deficiency (a copy of which is attached and marked Exhibit A) was mailed to the petitioner on November 1, 1928.

3. The taxes in controversy are income taxes for the calendar years 1924 and 1925, and for approximately \$28,789.20.

4. The determination of tax set forth in said notice of deficiency is based upon the following errors:

(a) The respondent erred in including in taxable net income of the petitioner for the calendar year 1924, the following items of income which belonged and were taxable to his wife, Marguerite S. Anderson: [14]

Interest from Notes, Mortgages and Bank Deposits—	\$ 1,698.63
Rents from real property—	9,876.18
Profits on sales of stocks and real property—	6,768.19
Dividends from stocks—	2,000.00

Profit from joint ventures in real estate—	29,506.56
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Capital net gain—	16,747.00
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(b) The respondent erred in including in the taxable net income of the petitioner for the calendar year 1924, the following items of income which belonged and were taxable to his wife, Marguerite S. Anderson:

Interest from Notes, Mortgages and Bank Deposits—	\$ 964.78
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Rents from real property—	5,342.80
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Dividends on stocks—	4,751.83
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Profit from joint ventures in real estate—	28,541.55
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Loss from joint ventures in real estate—	2,162.89
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5. The facts upon which the petitioner relies as the basis of this proceeding are as follows:

(a) Petitioner married his wife, Marguerite Slattery, in 1914. At the time of their marriage petitioner owned no property except his personal belongings. His wife received as a wedding present from her father a check for \$2,500, as her separate property.

(b) At various times thereafter, petitioner's [15] wife, Marguerite S. Anderson, received from her father gifts of cash in amounts of from \$100.00 to \$5,000 each, totalling approximately \$20,000 prior to January 1, 1920.

(c) At the time of his marriage and until he went abroad during the World War, the peti-

tioner worked as Assistant Manager of the Beverly Hills Hotel, Beverly Hills, California, on a salary of \$300.00 per month. Said hotel was owned by petitioner's mother, Mrs. M. J. Anderson.

(d) Petitioner's wife, Marguerite S. Anderson, acted as hostess and assistant to the petitioner and devoted considerable time and effort to the interests of said hotel.

(e) Early in 1916, petitioner's wife was informed by a guest of the hotel, John B. Joyce, that the latter was in the market for a residential estate. She communicated this fact to the petitioner and they agreed to work together to consummate such a sale, one-half of any commission received to be her personal property. As a result of their joint efforts, the sale was effected and petitioner and his wife received a commission in the amount of \$10,000 in March, 1916, which was deposited in their joint bank account.

(f) Upon the receipt of said \$10,000, petitioner agreed with his wife that \$5,000 belonged to her as her separate property, but recommended that they invest their [16] funds jointly in the purchase of certain vacant lots in Beverly Hills, California. After some discussion, his wife agreed and said lots were purchased as follows:

(1) Lot 1 in Block 3 of Beverly from the Rodeo Land & Water Co., deed dated April 14, 1916, recorded July 26, 1916.

(2) Lot 23 in Block 1 of Beverly, from Mary MacBean and Isabella MacBean, deed dated April 14, 1916, recorded July 26, 1916.

(3) Lot 24 in Block 1 of Beverly, from O. Franklin Thayer and Enora M. Thayer, deed dated April 15, 1916, recorded July 26, 1916.

(4) Lots 1 and 2 in Block 2 of Beverly, from Mary C. Taylor and G. L. Taylor, deed dated May 5, 1916, recorded July 26, 1916.

(g) The total cost of said lots was in excess of \$12,000, and was paid for out of the following funds:

(1) \$5,000 from petitioner's share of commision.

(2) \$5,000 from his wife's share of commission.

(3) Remainder from separate funds of his wife given to her by her father.

(h) Upon the purchase of said lots the petitioner and his wife agreed that they should own said lots and all income from or accretions thereto as tenants in common.

(i) While petitioner was abroad during the World War, his wife remained with his mother and assisted her in the management of the Beverly Hills Hotel. Prior to petitioner's return to Beverly Hills in 1919, his wife made an arrangement with his mother whereby petitioner and his wife were to assume the full active management of the hotel and were to receive as compensation therefor, [17] a salary of \$3,000 per year and,

in addition, 50 per cent of the net income of the hotel for each calendar year. Petitioner agreed with his wife that one-half of said compensation was to be treated as earned by her and should constitute her separate property.

(j) During the calendar years 1920 to 1923, inclusive, petitioner and his wife received as compensation for their services to the Beverly Hills Hotel the following amounts:

Year	Salary	Participation in Profits
1920	\$3,000	\$56,274.79
1921	3,000	15,713.92
1922	3,000	25,773.09
1923	3,000	41,710.08
Totals	\$12,000	\$139,471.88

(k) As said amounts were received, petitioner and his wife consulted and agreed as to the investment thereof. A considerable portion of said amounts was expended in improvements on the vacant lots purchased by them in 1916. Other amounts were expended in the purchase of stock and other real estate.

(l) It was expressly agreed by and between petitioner and his wife that all of the properties and improvements should be held by them as joint tenants, and that her one-half interest therein should constitute her separate property.

(m) As a matter of business convenience, petitioner took title to all of said properties,

including the [18] vacant lots purchased in 1916, in the name of Stanley S. Anderson, without, however, informing his wife of said fact. Petitioner understood and intended that he would act as trustee for his wife to the extent of her one-half separate property interest in said properties.

(n) On or about May 25, 1932, petitioner informed his wife that said properties were held in the name of Stanley S. Anderson, and not in their joint names. She then demanded that the legal title be amended to correspond with the real situation. As a result, on or about June 4, 1932, a written agreement was executed by petitioner and his wife, wherein they acknowledged that each had a one-half separate property interest as tenants in common, in all property held by either of them. Deeds of transfer have been executed and recorded by petitioner, transferring to his wife, Marguerite S. Anderson, legal title to an undivided one-half interest to all the real estate theretofore standing in his sole name.

(o) As of September 1, 1923, an agreement was entered into whereby the Janss Investment Co. agreed to convey to Charles H. Christie and Stanley S. Anderson, each, an undivided one-fourth interest in a tract of land consisting of approximately 120.5 acres, for a total consideration of \$90,375.00 each. Petitioner paid in cash \$30,125.00 during the calendar year 1923 and petitioner and his wife, Marguerite S. Ander-

son, [19] executed and delivered their joint and several note to the Holmby Corporation, in the amount of \$62,020.00, dated September 1, 1923, and payable on or before September 1, 1926.

(p) As of September 1, 1923, the Janss Investment Co. entered into an agreement whereby it was to convey to Charles H. Christie a tract of approximately 107 acres for a total consideration of \$321,000, of which \$107,000 was to be paid in cash with a three year mortgage note for the balance.

(q) As of September 10, 1923, an agreement was entered into whereby Charles H. Christie agreed to sell to Stanley S. Anderson a one-fourth interest in said property or contract, for one-fourth of the purchase price. During the calendar year 1923, the petitioner paid on said account \$26,750.00 in cash.

(r) As of November 7, 1923, the Janss Investment Co. repurchased a one-third interest in 66.429 acres of this tract. Agreements were entered into by the Janss Investment Co., Charles H. Christie and Stanley S. Anderson, whereby the above properties were to be subdivided and sold, with the Janss Realty & Finance Co., as agent.

(s) In entering into the above agreements, it was expressly understood between petitioner and his wife that he was acting in their joint interest and that she was to own as tenant in common and as her separate [20] property one-

half of the interests so acquired by Stanley S. Anderson and was to share equally with him in all losses and/or profits realized therefrom.

(t) In pursuance of this agreement, the petitioner executed and delivered to his wife, Marguerite S. Anderson, under date of September 5, 1923, a letter setting forth their understanding that she owned a one-half interest in these joint ventures, and that she assumed liability for her share of all payments. Said Marguerite S. Anderson agreed thereto and delivered to an officer of the Janss Investment Co. an executed copy of said agreement. The other member of the joint ventures, Charles H. Christie, also was informed of the fact that said Marguerite S. Anderson had an undivided one-half interest in the contracts and properties so taken in the name of Stanley S. Anderson.

(u) Petitioner and his wife, Marguerite S. Anderson, filed separate income tax returns for the calendar years 1924 and 1925, on the basis of cash receipts and disbursements.

(v) During the calendar year 1924 the net profits of petitioner and his wife from these joint ventures, as determined by the respondent, was \$59,013.13, none of which was paid in cash to either of them, or reported by them on their respective returns. The respondent has erroneously added to petitioner's taxable net income for 1924 the entire amount of \$59,013.13, despite the fact [21] that one-half thereof, or \$29,506.06, was the separate income of and was taxable to Marguerite S. Anderson.

(w) During the taxable year 1925, the net profits of petitioner and his wife from these joint ventures, as determined by respondent, was \$57,083.10, of which \$10,000 was paid in cash to them. Each reported \$5,000 as taxable income from these joint ventures on their respective returns for the calendar year 1925. The respondent has erroneously included the entire amount of \$57,083.10 in the taxable net income of petitioner for 1925, despite the fact that one-half thereof, or \$28,541.55 was the separate income of, and was taxable to, said Marguerite S. Anderson.

(x) All the properties owned by petitioner and his wife during the taxable years 1924 and 1925 belonged equally, half and half, to them as their separate property, as tenants in common.

WHEREFORE, the petitioner prays that this Board may hear the proceeding and determine that no deficiency is due by the petitioner for either of the taxable years 1924 and 1925.

JOSEPH D. PEELER

819 Title Insurance Building,
Los Angeles, California

MELVIN D. WILSON

819 Title Insurance Building,
Los Angeles, California. [22]

E. P. ADAMS, C. P. A.,
Central Building,
Los Angeles, California.

Counsel for Petitioner.

State of California

County of Los Angeles—ss.

Stanley S. Anderson, being duly sworn, says that he is the petitioner above named; that he has read the foregoing petition and is familiar with the statements contained therein, and that the facts stated are true.

STANLEY S. ANDERSON

Subscribed and sworn to before me this 9th day of June, 1932.

[Seal]

MILDRED K. ROGERS

Notary Public in and for the County of Los Angeles, State of California. [23]

(461M)

EXHIBIT A

TREASURY DEPARTMENT

Washington

Office of

Nov. 1, 1928.

Commissioner of Internal Revenue
Address Reply to Commissioner of
Internal Revenue and Refer To
Mr. Stanley S. Anderson,
907 Beverly Drive,
Beverly Hills, California.

Sir:

In accordance with Section 274 of the Revenue Act of 1926 you are advised that the determination of your tax liability for the years 1924 and 1925 discloses a deficiency of \$28,789.20 as shown in the attached statement.

The section of the law above mentioned allows you to petition the United States Board of Tax Appeals within sixty days from the date of the mailing of this letter for a redetermination of your tax liability. However, if you acquiesce in this determination, you are requested to execute the enclosed Form 866 and forward both original and duplicate to the Commissioner of Internal Revenue, Washington, D. C., for the attention of IT:C:P-7.

Respectfully,
D. H. BLAIR,
Commissioner.
By C. B. ALLEN
Deputy Commissioner.

Enclosures:

Statement

Form 866

Form 882 [24]

STATEMENT

IT:AR:B-4

MKR-60D

Nov. 1, 1928.

In re: Mr. Stanley S. Anderson,
907 Beverly Drive,
Beverly Hills, California.

Year	Deficiency in Tax
1924	\$19,036.61
1925	9,752.59
Total	<hr/> \$28,789.20

Reference is made to the report of the Internal Revenue Agent in Charge in San Francisco, Cali-

fornia, and to your protest submitted under date of March 31, 1928.

Careful consideration has been accorded your protest in connection with the agent's findings and the report of the conference held in the office of the Agent in Charge. The adjustments recommended by the Agent as a result of the conference have been approved in this office with the following exception:

Reference is made to the disallowance by the revenue agent of a deduction on your 1924 return in the amount of \$3,000.00, representing traveling expenses. Information on file indicates that this item was previously considered by this office and that you were advised in office letter dated May 29, 1926, that the deficiency, as a result of the proposed disallowance of the item would not be assessed. Therefore, no further adjustment of this item will be made.

A synopsis of your net income as adjusted follows:

1924	
Ordinary net income reported	\$37,071.20
Add:	
1. Profit from joint ventures	\$59,013.13
2. Loss on roulette	3,700.00
	<hr/>
Ordinary net income adjusted	\$99,784.33
Capital net gain	\$33,494.00

Computation of Tax

Ordinary net income adjusted		\$ 99,784.33
Less:		
Dividends	\$4,000.00	
Exemption	3,300.00	7,300.00
		<hr/>
Balance subject to normal tax		\$92,484.33
Normal tax at 2 per cent on \$4,000.00		\$ 80.00
Normal tax at 4 per cent on \$4,000.00		160.00
Normal tax at 6 per cent on \$84,484.33		5,069.06
Surtax on \$99,784.33		16,942.36
Tax on capital net gain, 12½ per cent of \$33,494.00		4,186.75
		<hr/>
Total tax		\$26,438.17
Less:		
Earned income credit		47.00
		<hr/>
Adjusted tax liability		\$26,391.17
Less:		
Tax previously assessed		7,354.56
		<hr/>
Deficiency		\$19,036.61

Explanation of Changes

1. Profit on real estate ventures in the amount of \$59,013.13, as shown in Schedule 1-A of the report which was not previously reported, has been included in net income. It is your contention that only actual cash received from these ventures for this year is taxable income and that one-half of this amount is properly taxable to your wife.

The information submitted indicates that each co-owner's share of the proceeds of sales in the hands of the selling agent was applied to such owner's

share of the cost of improvement and selling and to his share of maturing land purchase obligations, and any excess remaining to his credit was subject to withdrawal at any time. Article 51, Regulations 65 and 69, provides that income which is credited to the account of, or set apart for a taxpayer and which may be drawn from by him at any time is subject to tax for the year during which so credited or set apart, although not then actually reduced to possession. [26]

The part of the proceeds of the sales which was applied against your share of maturing land purchase obligations represented income to you and the fact that this amount was used to reduce an indebtedness does not change its status.

The recommendation of the revenue agent that your share of the sales proceeds of real estate be treated as having been constructively received by you, when it came into the hands of your selling agent, including that part which was applied by the selling agent in payment of your indebtedness, as well as that part which was held subject to your demand, has been approved in this office.

The information submitted relative to the taxability of part of the profits to your wife indicates that the profits were derived from community property and are taxable in their entirety to you.

Under the California statutes community property is defined as property acquired by husband and wife, or either, during marriage, when not acquired

as the separate property of either and separate property is defined as that which was owned by them, respectively, before marriage and that acquired afterward by gift, bequest, device or inheritance, or descent with the rents issues and profits thereof. It appears that the real estate investments here in question were made from money earned by you as manager of a hotel.

It is recognized that under the laws of California a husband and wife may by contract change the status of community property to that of separate property. However, the letter which you addressed to your wife under date of September 5, 1923 relative to her assuming the liability for a part of the payments on the real estate does not appear to represent such a contract. Reference is made to the decision of the United States Board of Tax Appeals in the case of J. B. Lilly, Board of Tax Appeals, Volume 4, Page 1149.

The income in question is, therefore, held to have been derived from community property and is taxable in its entirety to you. Reference is made to Treasury Decision 3817, Cumulative Bulletin V-1, Page 188.

2. The deduction of \$3,700.00, representing a loss from playing roulette, has been disallowed for the reason that the same was not substantiated. [27]

1925

Net income reported		\$27,938.70
Add:		
Profit from joint ventures		52,083.10
		<hr/>
Net income adjusted		\$80,021.80
	Computation of Tax	
Net income adjusted		\$80,021.80
Less:		
Dividends	\$9,503.67	
Personal exemption	4,300.00	13,803.67
		<hr/>
Balance subject to normal tax		\$66,218.13
Normal tax at 1½ per cent on \$4,000.00		60.00
Normal tax at 3 per cent on \$4,000.00		120.00
Normal tax at 5 per cent on \$58,218.13		2,910.91
Surtax on \$80,021.80		7,864.14
		<hr/>
Total tax		\$10,955.05
Less:		
Earned income credit		8.85
		<hr/>
Adjusted tax liability		\$10,946.20
Tax previously assessed		1,193.61
		<hr/>
Deficiency		\$ 9,752.59

[28]

Explanation of Change

Profit from the joint ventures in real estate has been increased for the same reasons as those given in the adjustment for 1924.

A synopsis of your tax liability as stated on Form 866 is shown as follows:

1924	
Tax assessed	\$ 7,354.56
Proposed deficiency	19,036.61
<hr/>	
Liability as stated on Form 866	\$26,391.17
1925	
Tax assessed	\$ 1,193.61
Proposed deficiency	9,752.59
<hr/>	
Liability as stated on Form 866	10,946.20
<hr/>	
Total liability as stated on Form 866	\$37,337.37

A copy of this communication is being furnished your representative, Mr. E. P. Adams in accordance with the authority conferred in your power of attorney.

Payment should not be made until a bill is received from the Collector of Internal Revenue for your district, and remittance should then be made to him.

[Endorsed]: United States Board of Tax Appeals. Received at Hearing June 14, 1932.

ANSWER TO AMENDED PETITION

(Read into record June 14, 1932)

The MEMBER: Amended petition may be received. Does the Respondent desire to modify the answer in any respect?

Mr. WILSON: To the extent of any allegation of fact, with exception of the judicial allegation, the respondent should like to have the record show a general denial of such.

The MEMBER: The record will show that. [29]

[Title of Court and Cause.]

FINDINGS OF FACT AND OPINION

In the absence of sufficient proof to overcome the presumption that the property acquired by the petitioner and his wife after marriage was community property under the laws of the State of California, held, that the income received by them in 1924 and 1925 from such property is taxable in its entirety to the petitioner as community income. Joseph D. Peeler, Esq., Melvin D. Wilson, Esq., and E. P. Adams, C. P. A., for the petitioner. R. W. Wilson, Esq., for the respondent.

The respondent has determined deficiencies in petitioner's income tax for the calendar years 1924 and 1925 in the amounts of \$19,036.61 and \$9,752.59, respectively. The petitioner alleges that the respondent erred in including in his income all of the profits received in those years from certain real estate and other investments in which his wife had a separate one-half interest.

FINDINGS OF FACT.

The petitioner and his wife, Marguerite S. Anderson, citizens of the State of California, were

married in 1914. The petitioner at that time was employed as assistant manager of the Beverly Hills Hotel, which was owned by his mother, Margaret Anderson, at a salary of \$3,000 per annum. At the time of their marriage neither the petitioner nor his wife owned any property of consequence. The petitioner's employment with the hotel continued until the World War, when he went abroad.

From 1914 to 1923, inclusive, the petitioner's wife acted as a hostess for the hotel, devoting all of her time to that business. Her duties were to provide entertainment and to arrange social functions for the guests and to secure new patrons. The hotel catered to the wealthy class. [30]

At the time of her marriage, the petitioner's wife received a gift of \$5,000 from her father, J. H. Slattery. Thereafter, for five or six years, she received additional gifts from him aggregating about \$20,000. This money was used for various purposes, including household expenses.

In 1916 the petitioner's wife learned that a friend of hers was interested in buying an estate in the Beverly Hills section. She and the petitioner located a desirable piece of property and negotiated the sale, receiving a commission of \$10,000, which was paid to the petitioner, it being agreed between them, however, that the commission should belong one-half to each.

In May, 1916, the petitioner and his wife purchased five vacant lots in Beverly Hills at a total cost of \$13,200, which amount they paid with the

\$10,000 commission referred to above and \$3,200 which the petitioner's wife secured from her father. The deeds to the lots were taken in the petitioner's name and so remained until May, 1932, when new deeds were made to the petitioner and his wife as tenants in common.

While the petitioner was overseas and prior to his return in 1919 the petitioner's wife and his mother entered into an oral agreement whereby she, the petitioner's wife, and the petitioner, upon his return, were to take over the entire management of the hotel and were to receive a stipulated yearly salary of \$3,000 plus one-half of the net profits. As a consideration for this agreement the petitioner's wife was to render full time services to the hotel. It was specifically agreed that she would share equally with the petitioner the yearly salary and the profits, if any. Under this contract, the petitioner and his wife received profits over the period 1919 to 1923, inclusive, of approximately \$140,000. This amount, together with the salary of \$3,000 per year, was paid to the petitioner by checks drawn on the hotel by himself as manager and was deposited by him in a joint bank account for himself and wife.

In September, 1923, the petitioner, with the knowledge and consent of his wife, entered into agreements with the Janss Investment Co. and Charles H. Christie for the acquisition of certain undivided interests in two real estate subdivisions. The contracts were signed by the petitioner and

deeds were made out in his name. The total investment therein of the petitioner and his wife was approximately \$56,000, which was paid, for the most part, out of the profits from the hotel. Soon after this transaction the petitioner's wife asked him to prepare a written memorandum defining his and her respective rights in the investment. Accordingly, the petitioner, on Sep- [31] tember 5, 1923, prepared and delivered to his wife the following letter:

“Confirming our conversation relative to the Janss Investment and Charlie Christie land deal.

Charlie and I agree to purchase from Janss 120.5 acres for \$180,750 (for one-half interest, Janss retaining one-half), payable \$60,-250. cash in September and October, and notes for the balance of \$120,500. On this deal I today paid \$5000. on the September installment. I also entered into an agreement to purchase from Charlie Christie a $\frac{1}{4}$ interest in 107 acres, the total price of the acreage being \$321,000. and our $\frac{1}{4}$ will amount to \$80,250. Under the agreement by which Charlie is buying this land from Janss he is to pay \$107,000. cash and notes for \$214,000. The cash payments are to be made in September and October and I today paid \$6250, which is $\frac{1}{4}$ of the cash payment due in Sept.

I understand from you that you agree to these transactions and agree to payment of your proportion of the cash payments from any funds now held jointly by us, and that you assume lia-

bility for your proportion of future payments, such liability to attach to your separate funds as well as those held jointly by us.

It is the belief of Janss and Charlie that with the placing of this property on the market, the notes will be paid off from sales and we will not be called upon for cash to meet same.

Should you for any reason have occasion, in my absence or in case of any misunderstanding arising later, to secure further details relative to this, Dr. J. will give you same."

A copy of the above letter was filed at the office of the Janss Investment Co. and Charles H. Christie also was advised of its contents.

In the Janss Investment Co.'s books an account was kept in the petitioner's name until January, 1929, when the business was taken over by a newly organized corporation. In the books of the new company separate accounts were set up for the petitioner and his wife, showing them owners of separate equal interests.

From time to time the petitioner and his wife made other investments with their joint earnings and profits, with the understanding and agreement that they were equal owners therein and that each was entitled to receive one-half of the profits and was liable for one-half of the losses.

The petitioner's wife at all times took an active interest in the affairs of the real estate syndicate. She frequently discussed matters of policy with the managers and gave her approval to the plans for the development and sale of the property. She signed

all the deeds and mortgages and other papers of that character. Edwin Janss, president of the Janss Investment Co., and Charles H. Christie both understood that Marguerite S. Anderson and the petitioner owned equal interests in their investment. In August, 1926, the Janss In- [32] vestment Co. deeded back to "Stanley S. Anderson and Marguerite S. Anderson" an undivided one-fourth interest in 37 acres of the syndicate property which had not been sold.

In February, 1924, the petitioner and his wife executed and delivered to Edwin Janss and Harold Janss a general power of attorney, which was duly recorded. On January 27, 1925, the petitioner's wife executed and delivered a similar power of attorney to the petitioner.

In the latter part of 1924 the auditor for the Beverly Hills Hotel, upon request of the hotel bookkeeper, opened up a separate set of books for the petitioner as of January 1, 1925. Near the end of 1926 the petitioner inquired if his wife's share of the earnings from the "Young's Building" were being credited to her and, being informed that they were not, had the auditor open an account entitled "Joint M. S. Anderson" in which was set up the Young's Building at a valuation of \$202,788. Also, at about that time, another account was opened as of January 1, 1926, entitled "Janss Inv. Co. Joint M. S. Anderson." Also, at about that time, another account was set up for "Marguerite S. Anderson."

On June 8, 1932, the petitioner and his wife, upon the advice of her attorney, executed a memorandum

agreement providing in part as follows:

“WHEREAS the parties hereto were married in 1914 and at the time of said marriage neither had any property, and shortly thereafter an agreement was made between them to the effect that all property acquired by either after the date of their marriage, whether separate or community, should be deemed to be and should constitute the property of both of them as tenants in common, each owning an undivided one-half interest therein; and

WHEREAS about this time or shortly thereafter Mrs. Anderson received from her father, as a gift to her, various sums of money aggregating in all approximately \$20,000.00, which she turned over to Mr. Anderson when and as received to invest under said agreement; and

WHEREAS Mr. Anderson used said money, together with various earnings of both of them and various property which he received by gift from his mother, and proceeds and avails of all of said property, in purchasing, owning and selling real estate and other property, and for the purpose of convenience has carried the legal title to all property so acquired in his own name, but as trustee for himself and Mrs. Anderson as tenants in common, and said property has at all times constituted and does now constitute the property of the parties hereto as tenants in common, each owning an undivided one-half interest therein; and

WHEREAS the parties desire to confirm the agreement between themselves hereinbefore referred to and to reduce the same to writing and thenceforward to have the legal title to all real property acquired by them during their said marriage, from whatever source, held in their joint names as tenants in common pursuant to said agreement;

NOW, THEREFORE, it is MUTUALLY AGREED by and between the parties hereto as follows: [33]

1. All property whatsoever, whether separate or community, heretofore or hereafter acquired by either of the parties hereto since and during their marriage and howsoever the legal title thereto may be held, constitutes the property and is owned by them jointly as tenants in common, each owning an undivided one-half interest therein as his and her respective separate property, and none of said property, no matter how the legal title thereto may be held, is or shall be owned in any other way than as tenants in common, each owning an undivided one-half interest therein as his and her respective separate property.”

For the calendar years 1920 to 1923, inclusive, the petitioner and his wife filed joint returns which were prepared for them by the hotel auditor. The petitioner informed the auditor in 1920 that one-half of the profits from the hotel belong to his wife separately, but the auditor advised him that it was neces-

sary under the law and the Commissioner's regulations to report all the income in joint returns. For the years 1924 and 1925 the petitioner and his wife filed separate returns in which they each reported one-half of their entire income. The respondent in his audit of the returns for 1924 and 1925 has held the petitioner liable for taxes upon the entire amount of the income reported in both the returns. The items of income which the petitioner alleges, in his amended petition, were erroneously included in his income and which are taxable to his wife are as follows:

1924

Interest from Notes, Mortgages, and Bank

Deposits	\$1,698.63
Rents from real property.....	9,876.18
Profits on sales of stocks and real property...	6,768.19
Dividends from stocks.....	2,000.00
Profit from joint ventures in real estate.....	29,506.56
Capital net gain.....	16,747.00

1925

Interest from Notes, Mortgages, and Bank

Deposits	\$964.78
Rents from real property.....	5,342.80
Dividends on stocks.....	4,751.83
Profit from joint ventures in real estate.....	28,541.55
Loss from joint ventures in real estate.....	2,162.89

OPINION.

SMITH: The only question to be determined in this proceeding is whether the income received by

the petitioner and his wife from certain joint investments in 1924 and 1925 is taxable in its entirety to the petitioner as community income under the laws of the State of California, or whether one-half of such income is taxable to the petitioner's wife as her separate income.

Under the law of the State of California, as it existed prior to enactment of section 161 (a) of the California Civil Code (enacted April 28, 1927), all property acquired after marriage by either spouse constitutes community property except that acquired by gift, bequest, devise, or descent. California Civil Code, secs. 161-164. Likewise [34] the income from such property constitutes community income for which the husband is liable in respect to the Federal income tax. *United States v. Robbins*, 269 U. S. 315; *Blair v. Roth*, 22 Fed. (2d) 932. Section 161 (a) of the California Civil Code, which gives to the wife "present, existing and equal interests" in community property during continuance of marriage relations, and renders her liable for the Federal income tax on her separate share of the community income, *United States v. Malcolm*, 282 U. S. 792, does not apply to property acquired prior to its enactment or affect the taxability of the income therefrom to the husband. *Paul F. Hill et al., Executors*, 24 B. T. A. 1144; *F. J. Carman*, 25 B. T. A. 162.

As the respondent concedes, however, the respective interests of the husband and wife in community property and likewise community income, with certain limitations as set forth in *Lucas v. Earl*, 281 U. S. 111, are subject to change by contract between

the husband and wife. *Kaltschmidt v. Weber*, 145 Cal. 596; 179 Pac. 272; *Wren v. Wren*, 100 Cal. 276; 34 Pac. 775; *Larson v. Larson*, 15 Cal. Ap. 531; 15 Pac. 340; *Smith v. Smith*, 47 Cal. App. 650; 191 Pac. 60; *Francis Krull*, 10 B. T. A. 1096; *W. A. Roth*, 22 B. T. A. 587; *Blair v. Roth*, supra. If the wife has a vested interest in the community property separate from that of her husband, the income therefrom is taxable to her in her separate returns. *Poe v. Seaborn*, 282 U. S. 101.

Was there such a contract between the petitioner and his wife and did the wife in 1924 and 1925 have a separate vested one-half interest in the property from which the income in dispute was to arise?

Much of the evidence adduced by the petitioner was directed towards proving that his wife contributed equally with him to their joint earnings after marriage, including the \$10,000 fee for negotiating the real estate sale in 1916, the salary and profits from the operation of the hotel, and the income from all other sources. Assuming that to be true, however, these earnings and the property acquired therewith might nevertheless belong to the community, for, as we have said above, under the laws of the State of California, all the property acquired after marriage by either spouse prior to the enactment of section 161 (a) of the California Civil Code is presumed to be community property except that acquired by gift, bequest, devise, or descent. Of the \$13,200 invested in the real estate lots in 1916, \$3,200 was received by the petitioner's wife as a gift from

her father and was therefore not community income. The evidence is to the effect that the petitioner's wife received approximately \$20,000 from this source after her marriage to the petitioner. However, these funds were commingled with their other earnings [35] and investments so that their identity was lost. See *Pedder v. Commissioner*, 60 Fed. (2d) 866; *John H. Flach*, 13 B. T. A. 383.

The petitioner and his wife both testified that there was an oral agreement between them that they should each own a separate one-half interest in all of their income and property. They testified that there was such an agreement with respect to the \$10,000 fee received from the real estate sale in 1916, the salary and profits from the operation of the hotel during the years 1919 to 1923, inclusive, and all of their investments made with these and other funds. There is no written evidence of such an agreement with respect to any of their property prior to September 5, 1923, which is the date of the above letter from the petitioner to his wife, regarding their investment in the Janss Investment Co. and Charles H. Christie real estate ventures. This letter does not purport to be, nor can it be construed as, a valid assignment by the petitioner to his wife of any interest in these investments. It contains the statement:

“I [the petitioner] understand from you that you agree to these transactions and agree to payment of your proportion of the cash payments from any funds now held jointly by us, and that

you assume liability for your proportion of future payments, such liability to attach to your separate funds as well as those held jointly by us.”

It is not shown to which joint funds or separate funds of his wife the petitioner referred. The letter is not signed by the petitioner’s wife and was not executed as an agreement. We think that it has but little, if any, probative value.

The deeds to the five real estate lots purchased in 1916 were taken in petitioner’s name and so remained until May, 1932, just prior to the hearing of this proceeding, which was on June 14, 1932, when they were changed to show the petitioner’s wife the owner of a one-half interest in the property. Likewise, the investments in the real estate syndicates were recorded in the petitioner’s name. The formally executed agreement defining the separate interests of the petitioner and his wife in all of their property, which is set out in part above, was not executed until June 8, 1932. This agreement, of course, has no retroactive effect and does not change the status of the income of the petitioner and his wife for the taxable years 1924 and 1925. *W. A. Roth, 17 B.T.A. 1330.*

The facts in this case are hardly distinguishable from those in *Blair v. Roth, supra*, in which the court held, reversing the Board, that notwithstanding an oral agreement between husband and wife that the earnings of both should be contributed to

a common fund and that the surplus thereof, after payment of their personal and community expenses, should belong to them on an equal footing, the [36] earnings of both spouses constituted "community income" taxable to the husband. In its opinion, the court said:

"* * * There was no writing, and the testimony of appellee and his wife, much of which was elicited by highly leading questions, was to the effect that, shortly after their marriage, they had an understanding, not that the earnings of each should constitute the separate property of the earner, but that the earnings of both should be contributed to a common fund, of which they were to be the owners, share and share alike. They referred to themselves as equal partners in all they had or should acquire, jointly or severally.

* * * * *

* * * As exemplified in actual practice, the agreement of the appellee and his wife amounted to substantially this: They would contribute their earnings to a common fund, out of which their personal and community expenses would be paid, and of the savings, if any, and the property in which such savings were invested, they were to be the owners upon an equal footing. By the appellant it is not contended that, under the California statutes (sections 159, 160, Civ. Code; *Wren v. Wren*, 100 Cal. 276, 34 P. 775, 38 Am. St. Rep. 287;

Kaltschmidt v. Weber, 145 Cal. 596; 179 P. 272; Smith v. Smith, 47 Cal. App. 650, 191 P. 60; Perkins v. Sunset T. & T. Co., 155 Cal. 712, 103 P. 190), a husband and wife domiciled in that state may not make valid agreements relating to either their separate or their community property, or that it would be incompetent, by appropriate agreement between them, to constitute the earnings of the wife her separate estate. In essence his contention is that, at most, the agreement here was for an assignment by each of the parties of one-half of his or her earnings to the other; that, at the instant they were received, the salaries were, by the law, impressed with the status of community property, and were taxable with reference to that status; and that the obligation to pay the tax so computed could not be escaped by contributing such incomes to the so-called partnership between the two members of the community, any more effectually than by contributing it to a like enterprise as between one member of the community and a third person. In this view we concur.”

The petitioner herein testified, upon interrogation by his counsel, as follows:

“Q. Did you have an agreement in advance as to how the commission was to be split?

A. Yes, sir. When we got the commission we agreed to go fifty-fifty.

Q. She was to have half as her separate property?

A. Yes, sir.

* * * * *

Q. At the time you purchased those lots [the five vacant lots purchased in 1916] there was a definite agreement with Mrs. Anderson how the property interest was to be?

A. She had a one-half interest and I owned the other half.

Q. How were the deeds taken?

A. The deeds?

Q. To whom?

A. In my name.

Q. She knew that?

A. No, she didn't know until three or four weeks ago.

* * * * * [37]

Q. You had an arrangement with Mrs. Anderson as to how the profits and salary [from the operation of the hotel] would be divided?

A. She made the arrangement with mother.

Q. Did you have an arrangement with your wife?

A. When I came home, yes.

Q. What arrangement did you make with your wife?

A. She was to work with me, I was to have half and she was to have half.

Q. As separate property?

A. As her own money.

* * * * *

Q. You bought other real estate?

A. Bought and sold.

Q. As I understand the situation, the title to the various lots were taken in your name?

A. Yes, sir.

Q. Did Mrs. Anderson know it?

A. She didn't know it until about two weeks ago.

* * * * *

Q. So that every investment you made was a joint agreement?

A. Yes, sir.

Q. Was there any agreement between you and Mrs. Anderson as to how the property was to be held, that is, whether she had any interest?

A. She understood she had a half interest.

Q. A half interest in each property?

A. Everything I had or we acquired between us."

In *Pedder v. Commissioner*, *supra*, the Circuit Court of Appeals for the Ninth Circuit held, affirming the Board, upon facts similar to those in the instant case and those in *Blair v. Roth*, *supra*, that the presumption of the law of the State of California in favor of community property was not overcome. See also *W. A. Roth*, 22 B.T.A. 587, in which the Board, also under similar facts, followed *Blair v. Roth*, *supra*.

Aside from the presumption of law which, as we have said, operates in favor of the respondent's

contention that the income in question was community income, the very nature of the question here calls for the strictest proof on the petitioner's part. Where, as in the instant case, the written records and the acts of the husband and wife for a number of years indicate that, either ill-advisedly or without knowing the result upon their tax liability, they have submitted to the community property rule of their state, they should not be permitted to avoid the legal consequences of that rule merely upon their own testimony that they had previously entered into an oral agreement between themselves by which their property rights must be determined upon some other than the community property basis. We can not escape the conviction that this is the tenor of the cases in which the courts have considered this question.

Upon the evidence before us, we are not convinced of the existence of any valid enforceable agreement between the petitioner and his [38] wife, prior to the written agreement executed on June 8, 1932, that their income and property should be owned by them otherwise than "on an equal footing" as in *Blair v. Roth*, supra. We are therefore of the opinion that the petitioner has not overcome the presumption of the correctness of the respondent's determination that the income in question for the years 1924 and 1925 was community income taxable to the petitioner.

Reviewed by the Board.

Judgment will be entered for the respondent.

GOODRICH, dissenting: I disagree with the majority opinion, for the evidence herein convinces me that a contract existed between petitioner and his wife under which each acquired and held, as tenants in common, a separate one-half interest in these properties, and, consequently, the income therefrom should be taxed, one-half separately to each of them.

LANSDON and BLACK agree with this dissent.
[U. S. Board of Tax Appeals Seal] [39]

United States Board of Tax Appeals, Washington
Docket No. 42053

STANLEY S. ANDERSON,

Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

DECISION.

Pursuant to the determination of the Board, as set forth in its report promulgated May 24, 1933, it is

ORDERED and DECIDED: That there are deficiencies of \$19,036.61 and \$9,752.59 for the calendar years 1924 and 1925, respectively.

[Seal] [Signed] CHARLES P. SMITH,
Member.

[Endorsed]: Entered May 26, 1933. [40]

[Title of Court and Cause.]

PETITION FOR REVIEW OF DECISION BY
THE UNITED STATES BOARD OF TAX
APPEALS.

To the Honorable, the Judges of the United States
Circuit Court of Appeals for the Ninth Circuit:

Your petitioner, Stanley S. Anderson, in support of this, his petition, filed in pursuance of the provisions of Section 1001(a) of the Act of Congress approved February 26, 1926, entitled the Revenue Act of 1926, as amended, for the review of the decision of the United States Board of Tax Appeals promulgated on the 24th day of May, 1933, and its judgment entered on the 26th day of May, 1933, in the case of Stanley S. Anderson, Petitioner, vs. Commissioner of Internal Revenue, Respondent, number 42,053, under Docket of said Board, wherein the Board redetermined deficiencies of income taxes against the petitioner for the calendar year 1924 in the amount of \$19,036.61, and for the calendar year 1925 in the amount of \$9,752.59, respectfully shows this Honorable Court as follows: [41]

I.

STATEMENT OF THE NATURE OF THE
CONTROVERSY.

1. That on November 1, 1928, the Commissioner of Internal Revenue, in accordance with Section 274 of the Revenue Act of 1926, addressed a letter to the petitioner proposing deficiencies in taxes for the taxable year 1924 in the amount of \$19,036.61,

and for the taxable year 1925 in the amount of \$9,752.59.

2. That within sixty days from the date of the aforesaid deficiency letter, to-wit: on or about December 24, 1928, petitioner duly filed with the United States Board of Tax Appeals in pursuance of the provisions of the Revenue Acts applicable thereto, his petition requesting the redetermination of the deficiency above referred to, and said petition was duly docketed with the said Board under Docket No. 34,943. That on June 14, 1932, in pursuance of motion filed and granted, the petitioner filed with said Board an Amended Petition, which alleged substantially as follows:

(a) That petitioner married his wife, Marguerite Slattery, in 1914. At the time of their marriage petitioner owned no property except his personal belongings, and his wife received as a wedding present from her father a check for \$2,500, as her separate property.

(b) That at various times thereafter, petitioner's wife, Marguerite S. Anderson, received from her father gifts of cash in amounts of from \$100.00 to \$5,000 each, totalling approximately \$20,000 prior to January 1, 1920. [42]

(c) That at the time of his marriage and until he went abroad during the World War, the petitioner worked as Assistant Manager of the Beverly Hills Hotel, Beverly Hills, California, on a salary of \$300 per month. Said hotel was owned by petitioner's mother, Mrs. M. J. Anderson.

(d) That petitioner's wife acted as hostess and assistant to the petitioner and devoted considerable time and effort to the interests of said hotel.

(e) That early in 1916, petitioner's wife was informed by a guest of the hotel, John B. Joyce, that he was in the market for a residential estate. She communicated this fact to the petitioner and they agreed to work together to consummate such a sale, one-half of any commission received to be her separate property. As a result of their joint efforts, the sale was effected and petitioner and his wife received a commission in the amount of \$10,000 in March, 1916, which was deposited in their joint bank account.

(f) That upon receipt of said \$10,000, petitioner agreed with his wife that \$5,000 belonged to her as her separate property, but recommended that they invest their funds jointly in the purchase of certain vacant lots in Beverly Hills, California. After some discussion, his wife agreed and the lots were purchased.

(g) That the total cost of said lots was in excess of \$12,000, and was paid for out of the following funds: [43]

(1) \$5,000 from petitioner's share of Commission.

(2) \$5,000 from his wife's share of commission.

(3) Remainder from separate funds of his wife given to her by her father.

(h) That upon the purchase of said lots the petitioner and his wife agreed that they should own said lots and all income from or accretions thereto as tenants in common.

(i) That while petitioner was abroad during the World War, his wife remained with his mother and assisted her in the management of the hotel. Prior to petitioner's return in 1919, his wife made an arrangement with his mother whereby petitioner and his wife were to assume the full active management of the hotel and were to receive as compensation therefor, a salary of \$3,000 per year and, in addition, 50 per cent of the net income of the hotel for each calendar year. Petitioner agreed with his wife that one-half of said compensation was to be treated as earned by her and should constitute her separate property.

(j) That during the calendar years 1920 to 1923, inclusive, petitioner and his wife received as compensation for their services to the Beverly Hills Hotel the following amounts:

Year	Salary	Participation in Profits
1920	\$3,000	\$56,274.79
1921	3,000	15,713.92
1922	3,000	25,773.09
1923	3,000	41,710.08
Totals	\$12,000	\$139,471.88

(k) That as said amounts were received, petitioner and his wife consulted and agreed as to the investment thereof. A considerable portion of said amounts was expended in improvements on the vacant lots purchased by them in 1916. Other amounts were expended in the purchase of stock and other real estate.

(l) That it was expressly agreed by and between petitioner and his wife that all of the properties and improvements should be held by them as tenants in common, and that her one-half interest therein should constitute her separate property.

(m) That as a matter of business convenience, petitioner took title to all of said properties, including the vacant lots purchased in 1916, in the name of Stanley S. Anderson, without, however, informing his wife of said fact, and she was ignorant thereof. Petitioner understood and intended that he would act as trustee for his wife to the extent of her one-half separate interest in said properties.

(n) That on or about May 25, 1932, petitioner's wife learned for the first time that said properties were held in the name of Stanley S. Anderson, and not in their joint names. She then demanded that the legal title be amended to correspond with the real situation. As a result, on or about June 4, 1932, a written agreement was executed by petitioner and his wife, wherein they acknowledged that each had

a one-half separate property interest as tenants in common, in all property held by either of them. Deeds [45] of transfer were executed and recorded by petitioner, transferring to his wife, Marguerite S. Anderson, legal title to an undivided one-half interest in all the real estate theretofore standing in his sole name.

(o) That as of September 1, 1923, an agreement was entered into whereby the Janss Investment Co. agreed to convey to Charles H. Christie and Stanley S. Anderson, each, an undivided one-fourth interest in a tract of land consisting of approximately 120.5 acres for a total consideration of \$90,375.00 each. Petitioner paid in cash \$30,125.00 during the calendar year 1923 and petitioner and his wife executed and delivered their joint and several note for \$62,020.00, dated September 1, 1923, and payable on or before September 1, 1926.

(p) That as of September 1, 1923, the Janss Investment Co. entered into an agreement whereby it was to convey to Charles H. Christie a tract of approximately 107 acres for a total consideration of \$321,000, of which \$107,000 was to be paid in cash with a three year mortgage note for the balance.

(q) That as of September 10, 1923, an agreement was entered into whereby Charles H. Christie agreed to sell to Stanley S. Anderson a one-fourth interest in said property or contract, for one-fourth of the purchase price.

During the calendar year 1923, the petitioner paid on said account \$26,750.00 in cash.

(r) That as of November 7, 1923, the Janss Investment [46] Co. repurchased a one-third interest in 66,429 acres of this tract. Agreements were entered into by the Janss Investment Co., Charles H. Christie and Stanley S. Anderson, whereby the above properties were to be subdivided and sold, with the Janss Realty & Finance Co. as agent.

(s) That in entering into the above agreements, it was expressly understood between petitioner and his wife that he was acting in their joint interest and that she was to own as tenant in common and as her separate property one-half of the interests so acquired by petitioner and was to share equally with him in all losses and/or profits realized therefrom.

(t) That in pursuance of this agreement, the petitioner executed and delivered to his wife, Marguerite S. Anderson, under date of September 5, 1923, a letter setting forth their understanding that she owned a one-half interest in these joint ventures, and that she assumed liability for her share of all payments. His wife agreed thereto and delivered to an officer of the Janss Investment Co. an executed copy of said agreement. The other member of the joint ventures, Charles H. Christie, was also informed of the fact that petitioner's wife had an undivided one-half interest in the

contracts and the properties so taken in the name of Stanley S. Anderson. [47]

(u) That petitioner and his wife filed separate income tax returns for the calendar years 1924 and 1925, on the basis of cash receipts and disbursements.

(v) That during the calendar year 1924 the net profits of petitioner and his wife from these joint ventures, as determined by the respondent, was \$59,013.13, none of which was paid in cash to either of them, or reported by them on their respective returns. The respondent has erroneously added to petitioner's taxable net income for 1924 the entire amount of \$59,013.13, despite the fact that one-half thereof, or \$29,506.06, was the separate income of and was taxable to Marguerite S. Anderson.

(w) That during the taxable year 1925, the net profits of petitioner and his wife from these joint ventures, as determined by respondent, was \$57,083.10, of which \$10,000 was paid in cash to them. Each reported \$5,000 as taxable income from these joint ventures on their respective returns for the calendar year 1925. The respondent has erroneously included the entire amount of \$57,083.10 in the taxable net income of petitioner for 1925, despite the fact that one-half thereof, or \$28,541.55, was the separate income of, and was taxable to, said Marguerite S. Anderson.

(x) That all of the properties owned by petitioner and his wife during the taxable years 1924 and 1925 belonged equally, half and half, to them as their separate property, as tenants in common. [48]

(y) That the respondent erroneously included all of the income from said property in petitioner's taxable net income for 1924 and 1925.

3. Within the time allowed by law the Commissioner of Internal Revenue filed with said Board his answer in said cause, Docket No. 42053, by which were raised the issues determined by said decision of the United States Board of Tax Appeals.

4. The cause, being at issue under the rules of practice of said Board upon the filing of such answer, duly came on for hearing on June 14, 1932, at which time the petitioner by competent witnesses submitted testimony in support of the allegations as aforesaid. Thereafter on May 24, 1933, the said Board rendered its findings of fact in substantial accordance with the facts as alleged in the petition and as hereinbefore set forth, together with an opinion in which it was held, as a matter of law, that there was no validly enforceable agreement between the petitioner and his wife, and that all the income from the properties owned by them was taxable in its entirety to the petitioner as income from community property. On

May 26, 1933, the said Board entered its final order of redetermination approving the deficiencies as determined by the respondent in the amounts of \$19,036.61 for 1924 and \$9,752.59 for 1925.

II.

DETERMINATION OF COURT OF REVIEW.

The petitioner, being aggrieved by the said findings of fact, opinion, decision, and order, and being an inhabitant of the State of California, County of Los Angeles, City of Beverly Hills, and within the Ninth Circuit, desires a review thereof by the United [49] States Circuit Court of Appeals within which Circuit is located the office of the Collector of Internal Revenue to whom petitioner made his income tax returns for the calendar years 1924 and 1925, involved herein.

III.

ASSIGNMENTS OF ERROR.

The petitioner, as a basis for review, makes the following assignments of error:

1. The Board of Tax Appeals erred as a matter of law in ordering and deciding that there was a deficiency for the year 1924.

2. The Board of Tax Appeals erred as a matter of law in ordering and deciding that there was a deficiency for the year 1925.

3. The Board of Tax Appeals erred in its decision and determination as a fact that the properties owned by petitioner and his wife during each of the years 1924 and 1925 had the status of com-

munity property, under the laws of the State of California.

4. The Board of Tax Appeals erred in its decision and determination as a conclusion of law that the properties owned by petitioner and his wife during each of the years 1924 and 1925 had the status of community property, under the laws of the State of California.

5. The Board of Tax Appeals erred in its decision and determination as a fact that there was no valid enforceable agreement between the petitioner and his wife that their income and property was owned by them otherwise than as community property, during the years 1924 and 1925.

6. The Board of Tax Appeals erred in its decision and determination as a conclusion of law that there was no valid [50] enforceable agreement between the petitioner and his wife that their income and property was owned by them otherwise than as community property, during the years 1924 and 1925.

7. The Board of Tax Appeals erred in its decision and determination as a fact that petitioner's wife did not own, as her separate property, an undivided one-half interest in all the properties owned by the petitioner and his wife during the years 1924 and 1925.

8. The Board of Tax Appeals erred in its decision and determination as a conclusion of law that petitioner's wife did not own, as her separate property, an undivided one-half interest in all the

properties owned by the petitioner and his wife during the years 1924 and 1925.

9. The Board of Tax Appeals erred in its decision and determination as a fact that all of the income from said properties during the years 1924 and 1925 was taxable on the separate return of the petitioner.

10. The Board of Tax Appeals erred in its decision and determination as a conclusion of law that all of the income from said properties during the years 1924 and 1925 was taxable on the separate return of the petitioner.

11. The Board of Tax Appeals erred in its decision and determination as a fact that petitioner's wife was not subject to tax on her separate return with respect to one-half of the income from said properties during the years 1924 and 1925.

12. The Board of Tax Appeals erred in its decision and determination as a conclusion of law that petitioner's wife was not [51] subject to tax on her separate return with respect to one-half of the income from said properties during the years 1924 and 1925.

13. The Board of Tax Appeals erred in its decision and determination as a fact that there was not an express agreement, evidenced by an instrument in writing, between the petitioner and his wife, under which she acquired in 1923 and held during the years 1924 and 1925, as her separate property, an equal undivided interest with peti-

tioner in the Janss Investment Co. and Charles H. Christie real estate ventures.

14. The Board of Tax Appeals erred in its decision and determination as a conclusion of law that there was not an express agreement, evidenced by an instrument in writing, between the petitioner and his wife, under which she acquired in 1923 and held during the years 1924 and 1925, as her separate property, an equal undivided interest with petitioner in the Janss Investment Co. and Charles H. Christie real estate ventures.

15. The Board of Tax Appeals erred in its decision and determination as a fact that petitioner was taxable on his separate return with respect to all the income received by petitioner and his wife from said real estate ventures during 1924 and 1925.

16. The Board of Tax Appeals erred in its decision and determination as a conclusion of law that petitioner was taxable on his separate return with respect to all the income received by petitioner and his wife from said real estate ventures during 1924 and 1925.

17. The Board of Tax Appeals erred in its decision and determination of a deficiency of \$19,036.61 for the taxable year [52] 1924.

18. The Board of Tax Appeals erred in its decision and determination of a deficiency of \$9,752.99 for the taxable year 1925.

19. The Board erred in rendering decision for the respondent.

WHEREFORE, your petitioner prays that this Honorable Court may review said findings, decision, opinion, and order and reverse and set aside the same; that it direct the United States Board of Tax Appeals to determine that no deficiency is due by the petitioner in this proceeding; and for such other and further relief as the Court may deem meet and proper in the premises.

STANLEY S. ANDERSON,
Petitioner.

LOUIS W. MYERS,
900 Title Insurance Building,
Los Angeles, California.

JOSEPH D. PEELER,
819 Title Insurance Building,
Los Angeles, California.

WARD LOVELESS,
920 Southern Building,
Washington, D. C.

Attorneys for Petitioner. [53]

VERIFICATION.

State of California,
County of Los Angeles.—ss.

Joseph D. Peeler, being first duly sworn, deposes and says that he is one of the attorneys for petitioner in the foregoing Petition; that he has read the same and that the facts set forth therein are true to the best of his knowledge and belief, and that said petition is filed in good faith.

JOSEPH D. PEELER.

Subscribed and sworn to before me this 12th day of August, 1933.

(Seal) MILDRED K. ROGERS,
Notary Public in and for the County of Los Angeles, State of California.

[Endorsed]: United States Board of Tax Appeals. Filed August 17, 1933. [54]

[Title of Court and Cause.]

STATEMENT OF EVIDENCE.

The following is a statement of evidence, partly in narrative form and partly in verbatim questions and answer form, and other proceedings in the above-entitled cause.

This cause came on for hearing before Hon. Charles P. Smith, Member of the United States Board of Tax Appeals, on June 14, 1932, at Los Angeles, California. Joseph D. Peeler, Esq., Melvin D. Wilson, Esq., and E. P. Adams, Esq., appeared for the petitioner, and Richard W. Wilson, Esq., Special Attorney, Bureau of Internal Revenue, appeared for the respondent.

TESTIMONY OF EDWIN JANSSE FOR
PETITIONER.

Edwin Jansse was called as a witness by and on behalf of the petitioner, and having been first duly sworn, was examined and testified as follows:

(Testimony of Edwin Janss.)

My name is Edwin Janss. I am a real estate subdivider, connected with the Janss Investment Corporation, Janss Investment Company, Fox Hills, five or six corporations. During September 1923 I was president of the Janss Investment Company. I recall certain agreements entered into by that company with Mr. Charles H. Christie and Stanley S. Anderson. [55]

Whereupon there were then offered and received in evidence Petitioner's Exhibit No. 1, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 1 is an agreement dated September 1, 1923, between the Janss Investment Company and Charles H. Christie, which the witness identified.

There was next offered and received in evidence Petitioner's Exhibit No. 2, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 2 is a copy of an agreement dated September 1, 1923, between the Janss Investment Company, Charles H. Christie and Stanley S. Anderson, which the witness identified.

There was also offered and received in evidence Petitioner's Exhibit No. 3, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 3 is a copy of an agreement dated September 10, 1923, between the Janss Investment Company, Charles H. Christie, Stanley S. Anderson and Janss Realty &

(Testimony of Edwin Janss.)

Finance Company, which the witness identified.

There was also offered and received in evidence Petitioner's Exhibit No. 4, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 4 is a copy of an agreement dated November 7, 1923, between the Janss Investment Company and Charles H. Christie, which the witness identified.

Mr. Charles Christie was desirous of purchasing an acreage of land from us for a studio site and then he wanted additional land on both sides of the studio site for subdivision purposes. I agreed to sell the land to him provided he would retain a half interest in the land on both sides of the studio site. In our agreement with him it was provided that he would definitely build a first class motion picture studio on or before a certain [56] date. Then the parcels of land—agreements were entered into, one for the studio site and another for the other tract of land in which we were to retain a half interest. Then subsequent to that it was—no, right after that we had a sales agreement contract between Charles Christie and the Janss Realty & Finance Company, which was a subsidiary of the Janss Investment Company, then, later on, it was deemed advisable not to put in the studio and then we released him from the agreement to put the studio there upon the condition that we would have a certain interest in the deal and naturally was consulted in that transaction.

In one case the Janss Investment Company re-

(Testimony of Edwin Janss.)

tained one half or acquired from the Holmby Corporation a one half interest; Stanley S. Anderson and Charles H. Christie each received a deed at that time which provided for a quarter interest in each of them.

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 5, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 5 is a certified copy of deeds from the Holmby Corporation to the Janss Investment Company, which the witness identified.

There was also offered and received in evidence Petitioner's Exhibit No. 6, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 6 is a deed from the Holmby Corporation to Charles H. Christie (one-fourth interest) and Stanley S. Anderson (one-fourth interest).

There was also offered and received in evidence Petitioner's Exhibit No. 7, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 7 is a mortgage dated September 1, 1923, from Stanley S. Anderson and Marguerite S. Anderson to the [57] Holmby Corporation, together with the release thereof.

These documents which have been introduced related to the tract in which the Janss Investment Company retained from the beginning a one-half

(Testimony of Edwin Janss.)

interest. With respect to the other tract, the title to that went direct to Charles Christie for the entire amount. Subsequently Stanley S. Anderson acquired an interest and the Janss Investment Company acquired an interest.

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 8, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 8 is a deed dated September 1, 1923, from the Holmby Company, Holmby Corporation to Charles H. Christie.

There was also offered and received in evidence Petitioner's Exhibit No. 9, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 9 is a certified copy of a mortgage dated September 1, 1923, from Charles H. Christie to Holmby Corporation.

There was also offered and received in evidence Petitioner's Exhibit No. 10, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 10 is a certified copy of a grant deed dated January 21, 1925, from Charles H. Christie to Stanley S. Anderson of an undivided two-twelfths interest.

There was also offered and received in evidence Petitioner's Exhibit No. 11, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 11 is

(Testimony of Edwin Janss.)

a certified copy of a grant deed dated January 21, 1925, from Christie to Stanley S. Anderson of an undivided interest in certain real estate. [58]

There was also offered and received in evidence Petitioner's Exhibit No. 12, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 12 is a grant deed dated May 6, 1926, from Stanley S. Anderson and Marguerite S. Anderson to Janss Investment Company for an undivided one-fourth interest in certain property.

There was also offered and received in evidence Petitioner's Exhibit No. 13, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 13 is a certified copy of a grant deed dated May 6, 1926, from Stanley S. Anderson and Marguerite Anderson to Janss Investment Company covering a one-fourth interest in certain property.

There was also offered and received in evidence Petitioner's Exhibit No. 14, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 14 is a certified copy of a grant deed dated May 6, 1926, from Stanley S. Anderson and Marguerite Anderson to the Janss Investment Company conveying an undivided one-sixth interest in certain property.

There was also offered and received in evidence Petitioner's Exhibit No. 15, a copy of which is

(Testimony of Edwin Janss.)

attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 15 is a certified copy of a grant deed dated August 31, 1925, from Stanley S. Anderson and Marguerite Anderson to the Janss Investment Company of an undivided one-fourth interest in certain real estate.

There was also offered and received in evidence Petitioner's Exhibit No. 16, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 16 is the [59] original copy of a grant deed dated August 16, 1926, from the Janss Investment Company to Stanley S. Anderson and Marguerite S. Anderson covering an undivided one-fourth interest in certain real estate.

There was also offered and received in evidence Petitioner's Exhibit No. 17, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 17 is a certified copy of a mortgage dated September 1, 1923, from Charles H. Christie to the Holmby Corporation of an undivided one-fourth interest in certain real estate.

When I first went into these negotiations with Mr. Christie and Mr. Anderson I had no knowledge that Mrs. Anderson might be interested in the property. After the transaction was completed I was informed she did have an interest. Mr. and Mrs. Anderson came to my office and informed me of it and I was handed a notification. You have

(Testimony of Edwin Janss.)

handed me a copy of the notification, but the copy I received from them is one which we have in our files. I have no objection if it goes in the record so long as we get it back.

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 18, being a communication written on September 5, 1923, by Stanley S. Anderson to Marguerite S. Anderson, as follows: [60]

“Beverly Hills, Calif.
September 5, 1923.

Mrs. Marguerite S. Anderson,
Beverly Hills Hotel.

Confirming out conversation relative to the Janss Investment and Charlie Christie land deal.

Charlie and I agree to purchase off Janss 120.5 acres for \$180,750.00 (for one half interest, Janss retaining one-half), payable \$60,250.00 cash in September and October and notes for the balance of \$120,500.00. On this deal I today paid \$5,000.00 on the September installment. I also entered into an agreement to purchase from Charlie Christie a one-fourth interest in 107 acres, the total price of the acreage being \$320,000.00 and our 1.4 will amount to \$70,250.00. Under the agreement by which Charlie is buying this land from Janss, he is to pay \$107,000.00 cash and notes for \$214,000.00. The cash payments are to be made in

(Testimony of Edwin Janss.)

September and October and I today paid \$6,250.00 which is 1.4 of the cash payment due in Sept.

I understand from you that you agree to these transactions and agree to payment of your proportion of the cash payments from any fund now held jointly by us and that you assume liability for your proportion of future payments, such liability to attach to your separate fund as well as those held jointly by us.

It is the belief of Janss and Charlie that with the placing of this property on the market, the notes will be paid off from sale and we will not be called upon for cash to meet same.

Should you for any reason have occasion, in my absence or in case of any misunderstanding arising later, to secure further details relative to this, Dr. J. will give you same.

(Signed) Stanley S. Anderson." [61]

This document (Exhibit No. 18) bears the notation "o.k.—approved". Stanley initialed it. I wrote on there "file in Christie-Anderson". We carried their agreement as the Christie-Anderson file and I signed it and sent it down to the accounting department.

The witness further testified:

"Q. As I understand, Mr. Janss, Mr. and Mrs. Anderson came in to see you and left with you a copy of this document which you have

(Testimony of Edwin Janss.)

just identified, and what else did they state at that time.

A. Nothing further than that she had an undivided half interest, rather that she owned herself, one-half of everything of the various syndicates we were interested in with Anderson.

Q. Was that made very clear, emphasized in any way?

A. Mrs. Anderson made it very positive.

Q. Did Mr. Anderson?

A. He agreed to it.

Q. What did you then do with that document?

A. I simply sent that document down and notified our force that in all matters pertaining to any transactions we would have with Stanley Anderson that it would be absolutely necessary to have Mrs. Anderson's signature relative particularly as to the agreements we had relative to subdivisions. In other words, the Janss Finance Company had an agreement with Anderson and with Christie that we would subdivide the property and would have to prepare and show them the original lay-out together with a budget showing the cost of improvements and the selling price of the lands and they would have to get their approval of the lay-out of the land and the price list of the property, get their approval of all that."

(Testimony of Edwin Janss.)

On every document, to my knowledge, that was necessary for our protection that Mrs. Anderson's signature appeared. I do not know whether there is any requirement in the California law which requires a wife to sign such papers unless she has a property interest. Mrs. Anderson signed various notes. [62]

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 19, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 19 is comprised of 17 promissory notes executed by Stanley S. Anderson and Marguerite S. Anderson during the period September 1, 1923-May 16, 1930, in various amounts and to different payees.

The notes payable to the Janss Investment Company were secured by an assignment of the syndicate's interest and profits of the commission. The note dated April 20, 1926, shows an assignment of interest in the Christie-Janss Corporation; it shows herself as lende. My instructions were we never loaned Mr. Anderson anything, there was always collateral so his interest with us was protected. I know we loaned it to both of them. Each of the notes shows it is secured by equity in these syndicates.

We received two letters signed by Stanley S. Anderson and Marguerite S. Anderson addressed to the Janss Investment Company which accom-

(Testimony of Edwin Janss.)

panied the note dated March 11, 1926, and the note dated April 20, 1926, respectively.

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 20, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 20 is the two letters signed by Stanley S. Anderson and Marguerite S. Anderson, which the witness identified.

Mr. and Mrs. Anderson borrowed money from the Janss Investment Company from time to time. As security for those loans they transferred their interest in the syndicates and property to the Janss Investment Company. The deeds that were placed in evidence a few minutes ago [63] from Mrs. Anderson to the Janss Investment Company, together with some other interest she had in other tracts, were collateral for these notes. With respect to deeds to the properties sold by the syndicate to the purchasers of lots, my instructions were, they were to sign all deeds. I know it was brought to my attention at one time whether it was necessary for their signatures, inasmuch as they had deeded the property to us on account of various loans made them at one time, and I insisted they both sign all deeds. I gave instructions that Mrs. Anderson should sign and approve everything Mr. Anderson might sign and approve, and so far as I know my instructions were carried out. Mr. Anderson never indicated to me in any way what-

(Testimony of Edwin Janss.)

ever that half of this property did not belong to Mrs. Anderson. Consistently through the period all the treatment was that it belonged equally to the two of them. Mrs. Anderson was thoroughly familiar with all of the transactions and was thoroughly familiar with all the real property in these various syndicates. She did not do as much work as Mr. Anderson but whenever Mr. Anderson was out of town we always telephoned her for advice and approval. I consider Mrs. Anderson to be a very good business woman.

The Janss Investment Company kept the syndicate books. One of the accounts was set up on the syndicate's books as the Christie-Anderson-Janss account. There were various syndicates and they were carried on the books. In other words, each member of the syndicate wasn't carried. It was carried as one set of books, the Christie-Anderson-Janss and another for Christie and each month each syndicate holder was sent a statement. [64]

The witness further testified:

Q. "As I understand it on those books at first, of the Janss Investment Corporation, there was a personal account in the name of Stanley S. Anderson, is that correct?

A. Yes, sir.

Q. Mrs. Anderson's name did not appear in that account?

A. No.

Q. Despite the fact you knew, you had been

(Testimony of Edwin Janss.)

informed she had an equal half interest in the property, is that true?

A. Yes, sir.

Q. Why did you not change the books? Did you have any particular reason for not changing?

A. Probably neglected to do it. At that time we were very busy, it was just started (that) way and was carried through until later on."

About the first of January, 1929, the Janss Investment Corporation was formed to take over all the assets of the Janss Investment Company and other companies. I was an officer of the Janss Investment Corporation. I recall how this account, which, on the books of the old company, had been carried in the name of Stanley S. Anderson, was carried on the new books. We had purchased all of the Christie interests and there remained only the Andersons' and our own interests in the syndicate and at that time, when we re-organized we, you might say, killed the Christie-Anderson-Janss Syndicate and set it up on the books in the names of Stanley and Marguerite Anderson. In other words, from the beginning of 1929, from the time the new corporation took over the syndicates, these accounts have been shown equally, fifty-fifty, to Marguerite and Stanley Anderson. The assets split in half and half

(Testimony of Edwin Janss.)

credited to Stanley and the other half to Marguerite Anderson. That was the first time we had occasion to change the books from the time they were originally set up. [65]

I spoke of purchasing from Mr. Christie his interest. At that time he did not own his entire interest. He had a syndicate when we first started doing business with him. We thought that we were doing business with him alone, but we afterwards found out he had a syndicate in which there were five or six other members. We weren't informed of that, we acquired knowledge of the fact. We did not change the books at any time on that account. When we bought out Mr. Christie's interest we did not check into what other people owned. We had Mr. Christie make us a statement as to who was interested in the syndicate and we had their written approval of the sale and authorization to get the check and issue the check to Mr. Christie. In other words, we handled the Christie account as in his name, although we knew other people were interested and we did the same with Stanley S. Anderson, although we knew Mrs. Anderson had half interest.

During the years 1924 and 1925 there was no doubt in my mind that Mrs. Anderson had a half interest in these syndicates.

Cross-Examination.

I have lived in Los Angeles since 1899. During my business career I have had occasion to be in a number of different companies, a number of dif-

(Testimony of Edwin Janss.)

ferent organizations or corporations whose activities revolved around realty holdings. My experience has been very broad over a large number of years.

The witness further testified:

Q. "Now, isn't it a fact that the Janss Investment Company, in any negotiations or transactions affecting realty where there is an element of protection to be secured for the company, would require on a deed or a mortgage, or a note secured by a collateral from a married man whose wife was living with him and who had property, her signature as well as his own? [66]

A. We would on any document, we would on any document that pertains to real estate, yes. But relative to notes, I know we have very frequently taken notes from a married man without his wife's signature.

Q. I meant to limit my question in so far as it related to notes, in promissory notes secured by an interest in realty.

A. Yes, on that, if secured by realty.

Q. As a matter of fact, isn't it true that in California, title companies and abstract companies of all kinds, including such concerns as title insurance or title guaranty corporations, isn't it true to your personal knowledge they invariably require the signature of the wife along with that of a husband, where the spouses are living together and have property?

(Testimony of Edwin Janss.)

A. Yes, absolutely.

Q. Regardless of any state law?

A. Absolutely.”

I do not know how many years I have known Mr. Stanley S. Anderson, I have known him for years before I did business with him. I term him an intimate acquaintance of mine; he has been over a period of years. I have known Mrs. Anderson since shortly after they were married in 1914. I did not know her prior to that time. But I had known him before that.

The first business dealings I had with Mr. Anderson was when we sold the land to the Fox Film Corporation. That was prior to this deal. I think in 1923. The negotiations which resulted in several agreements that have been introduced in evidence took up a matter of several weeks, I imagine. There would be conferences held and discussions had, outlining the program. These conferences were attended by Mr. Porter, Mr. Holman, Charles Christie, Stanley Anderson and myself. [67]

The witness further testified:

Q. “Would you venture say, just roughly, estimating about how many of those conferences or discussions there were at which you were present and the other people were present?

A. All told I imagine about four conferences.

(Testimony of Edwin Janss.)

Q. To the best of your recollection was Mr. Anderson present?

A. Yes, sir.

Q. Was Mrs. Anderson there?

A. No, sir.

Q. The first knowledge you had with regard to Mrs. Anderson was when you were given, as you have testified, a copy of petitioner's exhibit 18, which appears to be in letter form, addressed to Mrs. Marguerite Anderson, signed by Stanley S. Anderson, which you identified as being the document that was handed to you and which constitutes your first knowledge that she had an interest in this property?

A. Yes, sir.

Q. Now, except for that notification, that written notification, you had no independent knowledge, Dr. Janss, of any division of property or money or property interest between Mr. Anderson and his wife?

A. Pardon me.

Q. You had no independent knowledge at that time?

A. Not at that time, no.

Q. Not as early as that?

A. Not as early as that."

Redirect Examination.

I spoke of the signature of the wife being required as a practice to notes where they were se-

(Testimony of Edwin Janss.)

cured by real estate, as well as deeds, and so forth. Now, in requiring the signature of Mrs. Anderson to various documents in this case, I required it as a matter of protection. [68] I consider her a partial owner. I required it aside from protection as a partial owner. There is no custom or law in California requiring a wife to sign a price list or other document. In requiring her signature, we did it because we considered her an owner.

Recross Examination.

The reason I considered her an owner was because she and her husband, Stanley S. Anderson, had so informed me. My knowledge was limited to that which I had received from them on that subject. If the Janss Investment Company were making a loan or financing a married man living with his wife, having some property, and as a result of this loan and contemporaneous with it, the company was taking back either a purchase price mortgage or a trust being executed, the Janss Investment Company would require the wife's signature on the notes and mortgage and trust documents. We would try to get it, but in many instances we haven't got it; the wife refused to sign. It is the custom and practice of the company to secure the wife's signature in all cases where it is possible to do so; where there is property of record and we take a mortgage or trust deed.

TESTIMONY OF CHARLES H. CHRISTIE
FOR PETITIONER

Charles H. Christie was called as a witness by and on behalf of the petitioner, and having been first duly sworn, was examined and testified as follows:

I am the Charles H. Christie who is a party to these various documents I have heard discussed. I was interested with the Janss Investment Company and Mr. Anderson in these real estate ventures. [69]

I have been handed a document and I can identify it. I have seen the original and that is a copy.

Whereupon there was offered and received in evidence Petitioner's Exhibit No. 21, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 21 is an agreement dated September 10, 1923, between Charles H. Christie and Stanley S. Anderson, identified by the witness.

As far as I know Stanley S. Anderson signed this agreement.

I sold an undivided one-fourth interest in the property I had contracted to buy from the Janss Investment Company to the Holmby Corporation, to Stanley S. Anderson under this agreement. At that time I understood that Mrs. Anderson was interested with Mr. Anderson in the property. I have always understood that Mrs. Anderson had an equal interest with Mr. Anderson. We have discussed the things in relation to the deal together,

(Testimony of Charles H. Christie.)

and I have talked to Mr. Anderson about it. Both Mr. and Mrs. Anderson informed me that she was to have a half interest in the property. I have had other dealings with Mr. Anderson subsequent to that time. He was more or less closely related. I would consult him about various deals, propositions rather, even in real estate, and I suggested on one or two occasions that I recall that he entered into syndicates with me. In one instance in particular I recall it was declined. Mrs. Anderson felt her judgment did not coincide with ours. Mr. Anderson stated to me in connection with those transactions Mrs. Anderson would have to agree; she was his partner and he could not go in if she said no.

[70]

Cross-Examination

I heard the testimony of Dr. Janss. I was among those present at the conferences he mentioned during the negotiations on the several agreements. I was away when the actual agreements were signed. My attorney in fact signed those. I remember attending the initial conference. Mr. Anderson was there. The first time I received any information relative to the manner in which Mr. and Mrs. Anderson were handling their property and money was during the negotiations for this particular tract. Mrs. Anderson was not present at the conferences when I was. I discussed the business with Mr. Anderson initially. Prior to that time the matter had not come up as far as I was concerned.

TESTIMONY OF M. R. MOUTHROP
FOR PETITIONER

M. R. Mouthrop was called as a witness by and on behalf of the petitioner, and being first duly sworn, testified as follows:

I am an attorney and counsellor at law, and have been a member of the bar for thirty years. My home is in San Francisco. I am acquainted with Stanley S. Anderson and Marguerite S. Anderson. I knew Mr. Anderson's mother for many years and I met Mr. Anderson's wife soon after they were married and I had occasion to see them frequently. Mrs. Anderson, the mother of Mr. Anderson, owned the Beverly Hills Hotel. I was attorney for Mrs. Anderson in 1911 and 1912 at the time she consummated the purchase of the hotel and in the latter part of 1919 she employed me again and I continued as her attorney and counsellor until the time of her death in 1930. [71]

I think Mr. Anderson returned from the war in 1919, a little bit before I was employed by his mother. He was out here when I came down to Los Angeles the first time on that employment for Mrs. Anderson. I made frequent trips to Los Angeles, on an average I presume of four trips a month. Sometimes I spent the greater part of the month down here and after I returned from military service I seriously contemplated moving my office to Los Angeles and was very glad to get an opportunity to be here on the employment for Mrs. Anderson. I stayed at the Beverly Hills Hotel.

(Testimony of M. R. Mouthrop.)

Mrs. Anderson frequently consulted me on the affairs of the hotel and also concerning the employment of Mr. and Mrs. Anderson to run the hotel. Mr. and Mrs. Anderson both consulted me as a matter of fact, in the latter part of 1919 and my recollection is that was the first matter I took up for her, was a question of modification of his agreement. My recollection of the arrangement merely covered the question of he and his wife taking sole control of the property. Up to that time and as it turned out subsequently Mrs. Anderson retained the veto in the management of the property. She lived in the hotel and felt perfectly free to participate in any features of the management she might see fit and it led to a great deal of friction. Mr. and Mrs. Anderson were receiving during the years 1920 to 1923, inclusive, a salary of \$3,600.00 a year and half of the profits of the hotel.

The relations between Mrs. Anderson, Sr. and Mrs. Anderson, Jr. were all very cordial, very friendly except when differences would arise between Mrs. Anderson and her son relative to deals, relative to the management of the hotel. As a matter of fact, there was a great deal of family friction. Mrs. Anderson was very fond of her son and yet [72] many of her ideas differed from his as to the system of management and she looked to her daughter-in-law a great deal for assistance in straightening out matters and, as she expressed it, bringing Stanley in line.

(Testimony of M. R. Mouthrop.)

Mrs. Marguerite S. Anderson gave practically her entire time to the work at the hotel. I think she was instrumental in getting new clients for the hotel. We have always felt that she was one of the best drawing cards the hotel had.

In making this agreement Mrs. Anderson, Sr. always insisted Mrs. Anderson, Jr. must be made a party. Mrs. Anderson, Sr. always said she considered that Mrs. Anderson, Jr. was entitled to part of the compensation. I always understood that there was an agreement between Stanley S. Anderson and Marguerite S. Anderson as to separate compensation. In fact, I think I could say it was a matter of common knowledge in the family and myself that such an agreement existed.

The witness further testified:

Q. "Were any agreements reduced to writing between Mrs. Anderson Senior and Mrs. Anderson Junior?"

A. None were until about 1929. None of them prior to 1925 were. I drew quite a number of tentative agreements of all sorts and kinds, some dealing with partition of property and some with the management of property. Many of them did not get beyond rough notes which would be taken up with Mrs. Anderson and her son and others got almost to the point of getting them to sign. Mrs. Margaret D. Anderson changed her mind very quickly and little matters upset her, upset well laid plans very quickly.

(Testimony of M. R. Mouthrop.)

Q. In drawing up those agreements, did you make them between Mrs. Anderson Senior and Stanley alone?

A. I think they were always drawn that he was to be the party but always contained details concerning his wife, always stipulated she was to be a party to them. They were generally made between mother and son. [73]

Q. They were not signed, you say?

A. No, none ever signed.

Q. Mr. Mouthrop, did you ever represent Mr. Stanley Anderson as an attorney?

A. I think in two matters in 1923 and 1924. I soon found it was not going to be very satisfactory to Stanley's mother if I did. We found there might be undue prejudice and I found there were a good many matters in which their interests were in conflict and with the two exceptions,—I don't know if he would have wanted me otherwise, but in the two matters I represented him. Nothing after 1924.

Q. Do you recall talking to him at that time as to how property was owned between himself and his wife?

A. Yes, he consulted me in that regard, he consulted me in that matter although I didn't receive a fee. I feel I was in the nature of his attorney and I would like to have permission from my client to testify as to that.

Mr. PEELER: You have no objection?

Mr. ANDERSON: No.

A. Yes, he said to me, as I recall the conversation, 'I have never deeded any of Peggy's share of her property to her. What do you think about my doing so?' or words to that effect. My advice was that I felt it was unwise for him to do it in view of his activities in the market and his frequent borrowing from the bank, that my own feeling was that banks and finance interests rather looked askance upon people found to be putting property in their wife's name, that it looked as if they were trying to get under cover in case anything went wrong.

Q. Do you know whether or not Mrs. Anderson knew the title was in his name alone?

A. I don't know.

Q. You never had a conversation with her along that line?

A. No, in the conversations she always assumed it was hers and spoke as though she regarded it as hers, but whether she knew how the title was, I don't know." [74]

TESTIMONY OF MARGUERITE S.
ANDERSON FOR PETITIONER.

Margueirte S. Anderson was called as a witness by and on behalf of the petitioner and having been first duly sworn, testified as follows:

(Testimony of Marguerite S. Anderson.)

My name is Marguerite S. Anderson. I am the wife of Stanley S. Anderson, whom I married in 1914. My father is J. H. Slattery. Prior to my marriage my home was in Colorado. My husband's occupation was assistant manager of the Beverly Hills Hotel. He was getting a salary at that time of about \$300.00 per month.

At the time of my marriage I received a gift from my father of \$5,000.00. During the five or six years subsequent thereto I frequently received additional money from my father in amounts of from \$200.00 to \$1,000.00 or \$5,000.00. That continued up to the time of the war. The total he gave me was probably \$20,000.00 or \$25,000.00.

The witness further testified:

Q. "What did you do with the money you received from your father?"

A. Well, it went for various things.

Q. Household expenses?

A. In the beginning."

I remember a gentleman by the name of John B. Joyce of Boston. He was a guest at the hotel. I recall talking with him early in 1916 about getting a home. He came to the hotel and brought his family. He said he wanted to buy an estate in Beverly Hills and he came to me. We looked over things in Beverly, I took Mr. Joyce around and looked at different places and I sold him a home in Beverly.

(Testimony of Marguerite S. Anderson.)

I had an agreement with my husband, Stanley Anderson, before I made the deal. Half of the commission would be my separate property. We got a [75] commission of \$10,000.00.

The witness further testified:

Q. "When you got the commission of ten thousand dollars did you take your share?"

A. I could have had my share but I didn't take it.

Q. Why didn't you?

A. Because we decided to buy property with it.

Q. Did you look at the property yourself?

A. I did."

There was then offered and received in evidence Petitioner's Exhibit No. 22, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 22 is a deed dated April 14, 1916, from the Oriole Land and Water Company to Stanley S. Anderson covering Lot one, block three of Beverly.

There was also offered and received in evidence Petitioner's Exhibit No. 23, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 23 is a deed dated April 14, 1916, from Mary MacBean and Isabella MacBean to Stanley S. Anderson, Lot twenty three, block one of Beverly.

There was also offered and received in evidence Petitioner's Exhibit No. 24, a copy of which is attached hereto and by this reference made a part

(Testimony of Marguerite S. Anderson.)

of this statement of evidence. Said Exhibit No. 24 is a deed dated April 15, 1916, from I. Frank Thayer and Enona M. Thayer to Stanley S. Anderson, Lot twenty four, block one, of Beverly.

There was also offered and received in evidence Petitioner's Exhibit No. 25, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 25 is a [76] deed dated May 5, 1916, from Mary A. Taylor and G. L. Taylor to Stanley S. Anderson for Lots one and two, block two of Beverly.

The witness further testified:

Q. "Those properties are the ones you purchased at that time?"

A. Yes, sir.

Q. Do you recall roughly what those properties cost?

A. About thirteen thousand dollars.

Q. How did you purchase them, how did you pay for them?

A. We used the ten thousand dollars we made in commission and father gave me the rest of the money."

\$5,000.00 of the commission money was mine. That was a definite understanding. We talked it over many times. My husband offered to give me the cash. I went into that of my own free will. My father was not interested in the property; he was here at the time and looked at the property;

(Testimony of Marguerite S. Anderson.)

went over with us and gave me the \$3,000.00 personally. I paid it in on the lots.

The witness further testified:

Q. "Did you have any agreement with your husband after as to how the lots would be owned?"

A. Yes, sir.

Q. How?

A. Half mine and half his.

Q. That was definite?

A. That was definite.

Q. Did you know at that time title was taken in his name?

A. I did not. [77]

Q. When did you first know it?

A. A few weeks ago."

During the period from 1914 to 1923, inclusive, I was hostess at the Beverly Hills Hotel. I devoted my entire time to that work. Mr. Anderson returned from war in 1919. I stayed at the hotel and worked steady harder than if he had been there. Prior to the time he came back I had negotiations with Mrs. Anderson, Sr., my mother-in-law. Things were not as she wanted them to be. My husband was not coming back. I talked with his mother during that time and agreed when he returned we could take the hotel over and actively manage it and we were to have a salary and half the profits. I was a party to that agreement. It was absolutely a condition that I should stay there

(Testimony of Marguerite S. Anderson.)

and work. Mrs. M. J. Anderson wouldn't have it any other way. Mr. Anderson came back and took the hotel over. We two ran it. That condition existed until some time in 1924.

The witness further testified:

Q. "Did you have any agreement with Mr. Anderson in advance as to how the profits and other assets were to be divided?"

A. I did.

Q. What was that agreement?

A. Half was to be my separate property because I was working as hard as he was.

Q. Did he agree to that?

A. He did.

Q. I assume you took money from the hotel from time to time?

A. We did.

Q. What did you do with that?

A. "Used that money for improvements on the property in Beverly, on the first lots we bought. [78]"

Q. Did you buy other property?

A. Bought other property.

Q. Did your husband ever make any investment without consulting you or vice versa?

A. Nothing whatever.

Q. Did he propose any deals that you refused?

A. A good many.

Q. Do you remember any?

(Testimony of Marguerite S. Anderson.)

A. A hotel at Palm Springs, I didn't wish to go into it and he finally agreed not to.

Q. Did you have any agreement how properties were to be held that were purchased with those moneys?

A. What do you mean?

Q. As to whether you had any interest?

A. I was to have half of everything.

Q. Of each piece of property?

A. Of each piece of property.

Q. Did you know whether or not the deed had been taken in his name alone at that time?

A. I did not, I thought they were in both of our names."

I recall the time that Mr. Anderson signed up some papers for real estate ventures with Mr. Christie and Mr. Janss. That was in September, 1923, I think. I knew about the negotiations, from my husband. I did not agree to them in advance. I ultimately agreed to them. I did not sign the agreements. The agreement I had with my husband was so complicated I asked him to write to me about it and just give what our part would be in it, which he did. He wrote a letter and told me in the letter what it would be. The letter I have in mind is the one dated September 5, 1923. [79]

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 26, being a photostatic copy of a letter dated September 5,

(Testimony of Marguerite S. Anderson.)

1923, written by Stanley S. Anderson to Mrs. Marguerite S. Anderson, an unsigned copy of which was previously offered and received in evidence as Petitioner's Exhibit No. 18.

The agreement with my husband was that as set forth in this letter. I was to share half of the losses and be in my half of the property. I would own half of it. After I got the agreement Mr. Anderson and I took it to Dr. Janss. We gave it to him and told him I had half of that property. Mr. Anderson agreed to that. From that time on I took an active interest in connection with the Janss Syndicate. I looked over the property, approved lot sales, prices and in general talked it over; signed notes, deeds, signed everything. I signed many deeds, approved price lists, had a great many conversations with Mr. Janss. I was familiar with the properties and went over them.

I do not know whether that account was kept on the books of the Janss Investment Company in Mr. Anderson's name or mine. I do not know one way or the other.

During the period from 1920 to 1925 or 1926 I signed leases, mortgages and notes with my husband, other than the ones relating to the Janss Syndicate.

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 27, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit

(Testimony of Marguerite S. Anderson.)

No. 27 is a mortgage dated July 26, 1916, by Stanley S. Anderson and Marguerite S. Anderson to John Burke, together with a release thereof. [80]

The mortgage dated in July 1916 was on the vacant lots we had just purchased.

There was then offered and received in evidence Petitioner's Exhibit No. 28, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said exhibit No. 28 is a deed of trust dated June 21, 1926, between Grace D. Bonds and Stanley S. and Marguerite Anderson as joint tenants.

There was also offered and received in evidence Petitioner's Exhibit No. 29, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 29 is an agreement dated August 16, 1923, for the sale of real estate between Stanley S. and Marguerite Anderson to Phillip A. L. Bixby.

There was also offered and received in evidence Petitioner's Exhibit No. 30, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 30 is a mortgage dated July 16, 1923, by Stanley S. and Marguerite Anderson to the Security Trust and Savings Bank on Lots one and two in block two of Beverly for \$30,000.00, with satisfaction thereof.

There was also offered and received in evidence Petitioner's Exhibit No. 31, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 31

(Testimony of Marguerite S. Anderson.)

is a mortgage dated January 31, 1924, from Stanley S. Anderson and Marguerite Anderson to the Security Trust and Savings Bank on Lot one, block three of Beverly, in the amount of \$45,000.00, together with release thereof. [81]

There was also offered and received in evidence Petitioner's Exhibit No. 32, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 32 is a mortgage dated November 1, 1924, from Stanley S. Anderson and Marguerite Anderson to the Hollywood Holding and Development Corporation, for the amount of \$20,000.00, together with satisfaction thereof.

There was also offered and received in evidence Petitioner's Exhibit No. 33, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 33 is a mortgage dated February 29, 1924, by Stanley S. Anderson and Marguerite S. Anderson to Mary Sturdy, in the amount of \$14,000.00, together with satisfaction thereof.

There was also offered and received in evidence Petitioner's Exhibit No. 34, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 34 is a mortgage dated August 28, 1926, from Charles H. Christie, Stanley S. Anderson and Marguerite Anderson to the Security Trust and Savings Bank, in the amount of \$150,000.00.

There was also offered and received in evidence

(Testimony of Marguerite S. Anderson.)

Petitioner's Exhibit No. 35, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 35 is a document dated December 6, 1922, of full reconveyance from the Title Guarantee and Trust Company for a certain deed of trust by Stanley S. Anderson and wife. [82]

There was also offered and received in evidence Petitioner's Exhibit No. 36, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 36 is a document dated November 5, 1924, of full reconveyance under deed of trust by the Title Insurance and Trust Company to Stanley S. Anderson and Marguerite Anderson.

There was also offered and received in evidence Petitioner's Exhibit No. 37, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 37 is a document dated January 31, 1924, of full reconveyance for a certain deed of trust by Stanley S. Anderson and Marguerite S. Anderson to the Title Guarantee and Trust Company.

These lots that Mr. Anderson and I purchased in 1916 were subsequently improved. Various buildings, including drug store, garage and meat market, were put on those lots. The lots were much more valuable in 1923 than when we purchased them. In connection with the improvement of these lots I looked over the plans, discussed what size buildings, whether two stories or one story, as-

(Testimony of Marguerite S. Anderson.)

sisted in getting tenants, signed leases. I do not know of any leases that were not signed by her.

There was then offered and received in evidence Petitioner's Exhibit No. 38, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 38 is a photostatic copy of a Power of Attorney dated February 4, 1924, from Stanley S. Anderson and Marguerite S. Anderson to Edwin Janss and Harold Janss. [83]

There was also offered and received in evidence Petitioner's Exhibit No. 39 a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 39 is a copy of Power of Attorney dated January 27, 1925, from Mrs. S. Anderson to Stanley S. Anderson.

I executed these powers of attorney myself.

The agreement with my husband, at the time these vacant lots were purchased in 1916, was that they should belong equally to me and to him despite the fact that I thought I put in more than half the consideration. One half would be my separate property. It was definitely agreed between us two that one-half of the compensation received by me and Mr. Anderson from the Beverly Hills Hotel was to be my separate property. It was further agreed that if moneys were paid out and re-invested I was to have one-half of the property purchased with the cash. With reference to the joint syndicate ventures it was half of mine that went into it,

(Testimony of Marguerite S. Anderson.)

so that all the property under our agreement with Mr. Anderson was actually owned between the two of us; half mine and half his.

The witness further testified:

Q. "Mrs. Anderson, when did you first learn that title to these properties was in the sole name of Mr. Anderson?"

A. Just a few weeks ago.

Q. What was your occasion for learning that?

A. At the time this case came up, I asked my husband why there was so much trouble and he told me 'I have never taken out the deeds and title in your name'.

Q. Had he ever told you prior to that time title was in his name?

A. I just assumed it was in both names.

Q. Was that your understanding?

A. From the very beginning." [84]

Had I known sooner I would have done something about it. As soon as I learned about it I went to my attorney and had him draw up an agreement that half of the property was mine and half his. This document you have handed me is the agreement signed by me and Stanley S. Anderson. The deeds that are referred to in this agreement have been recorded.

Whereupon there was offered and received in evidence Petitioner's Exhibit No. 40, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said

(Testimony of Marguerite S. Anderson.)

Exhibit No. 40 is a duplicate original of memorandum agreement dated June 8, 1932, between Stanley S. Anderson and Marguerite Anderson.

During these years, up to date, I always took an active interest in the investments. Mr. Anderson always consulted with me. I do not know of any venture Mr. Anderson went into without consulting me.

Cross-Examination.

I first became associated with the Beverly Hills Hotel in 1914, when I was married. At that time Mr. Anderson was assistant manager. He was there until he went to war and then came back in 1919. He remained with the hotel until some time in 1924.

At the time of my marriage to Mr. Anderson he had no property. I had certain moneys I had received from my father; at the time I was married \$5,000.00. That was a wedding gift. Subsequent to that time I received various amounts from him, totaling between \$20,000.00 and \$25,000.00, over a period of five or six years until about 1920. [85]

Between the period of 1920 and 1923, inclusive, Mr. Anderson and I participated in the profits of the Beverly Hills Hotel to the extent of about \$140,000.00. That was in addition to the \$3,000.00 annual salary.

The MEMBER: "To whom was that salary paid under the agreement you had?"

A. Paid to Mr. Anderson.

(Testimony of Marguerite S. Anderson.)

The MEMBER: You spoke of an agreement that you were to have a part of that salary?

A. All the money was to be divided between us, even the salary."

I think that the profits which my husband and I participated in from the hotel, for the year 1920, were a trifle over \$5,000.00 or \$6,000.00. To the best of my recollection that is about the amount. One-half of that amount was my separate property. I filed a Federal income tax return showing that, at the time. I know the thing was made out through an accountant or bookkeeper at the hotel. I think I filed a separate income tax return.

For the year 1921 the profits to which Mr. Anderson and I were entitled amounted to about \$15,000.00. I think that one-half of that was likewise included in my return for 1921. I would say the same thing as to 1922. I would also say that one-half of the profits for 1923 were included in my income tax return.

I had no income between 1914 and 1923 other than the amounts received from my father and the amounts represented by the profits and salary from the hotel. It was understood at all times between me and Mr. Anderson that one-half of the property we might acquire, one-half of the money we might thereafter make, was to be my separate [86] property. On any and all of these various business

(Testimony of Marguerite S. Anderson.)

transactions he and I always consulted with one another. Any investment or financial venture that he participated in was done with my knowledge and consent.

The witness further testified:

Q. "Why was that necessary?

A. Because we always consulted.

Q. If half of this property belonged to you separately, why was it necessary for any consultation or advice or consent with regard to any venture the other might want to make.

A. Because our money was all put together and we spent it that way.

Q. It was all together and spent that way and each felt each owned half of it?

A. Half of it.

Q. There was never any agreement in writing prior to about a week ago between you and your husband covering this matter of division of property or money, was there?

A. No."

I had had no business experience prior to my marriage. But I was, of course, actively engaged in the management and operation of the hotel from 1914 until 1923 or 1924. During part of that time and ever since that time I have been engaged in dealings affecting realty or personalty, such as those syndicate transactions, a great number of times.

(Testimony of Marguerite S. Anderson.)

The witness further testified:

Q. "You are and for a number of years have been thoroughly familiar with the matter of conveying land, conveying title by a deed or encumbering property by mortgage, signing notes?"

A. I am familiar with it, all details were left to the Janss Investment Company. They did all details.

Q. You are familiar with the necessity of executing deeds if you are conveying property and notes and mortgages if you are borrowing money?

A. Yes, sir. [87]

Q. You are thoroughly familiar with that?

A. Yes, sir.

Q. During the time that these syndicates were in force and effect, you never bothered to inquire as to how the account stood on the Janss Investment Company books?

A. No.

Q. You wasn't interested in that?

A. I was. Everything was always carried out apparently and I thought things were carried out the way they should be."

Everything I and my husband did was done together, whether coming to us or going from us.

The witness further testified:

Q. "How did you happen to learn about the deeds being in your husband's name?"

(Testimony of Marguerite S. Anderson.)

A. My husband told me.

Q. He had never told you before?

A. No.

Q. You and your husband did buy a piece of real estate, getting a deed for it. Didn't you ever look at it?

A. I suppose so, I did look at it.

Q. If you did have occasion to look at those deeds you didn't notice the fact that your name wasn't on those?

A. No, in fact I signed a good many things piled up."

The profits from the hotel came at various times, certain checks once or twice a year. My husband's and my share of those profits would come in the form of checks from the hotel. [88]

The MEMBER: "Did you and your husband ever receive a separate check?

A. No, they were always made out to Mr. Anderson for the convenience.

The MEMBER: Did you have separate bank accounts?

A. At various times I have had."

As I got the money from my father the first five or six years I always had my bank account. When we have made any we have almost always put it in together in one pool. I would check up our current expenses, household expenses. I have never kept any real books of account in which I would keep

(Testimony of Marguerite S. Anderson.)

track of my proportionate share of these various amounts. We have kept to a certain extent what we were doing; kept the whole thing together.

Redirect Examination.

When I stated that the only money I had earned since 1914 was in connection with the hotel I did not purposely omit the real estate commission made in 1916. I meant that from the beginning.

Various people made out my income tax returns, different accountants at the hotel.

I could have taken out my share at any time. Mr. Anderson could have done the same. It was only by consent that we invested in any particular syndicate or other investment. Prior to two or three or a few weeks ago there had never been any agreement in writing between me and Mr. Anderson as to my separate interest in property. I am excepting from that statement the agreement I had as to the Jauss Syndicate. That was in writing, but nothing else was in writing ever. [89]

Recross Examination.

The last document referred to by counsel was merely a letter rather than an agreement.

I cannot say definitely whether I filed an individual tax return with the government for the years 1920, 1921, 1922 and 1923. I know they were made out, I can't tell exactly how. I think I did file such returns, as I remember.

TESTIMONY OF J. H. SLATTERY
FOR PETITIONER.

J. H. Slattery was called as a witness by and on behalf of the petitioner, and having been first duly sworn, testified as follows:

I am the father of Mrs. Marguerite S. Anderson. She married Stanley S. Anderson in 1914. I gave my daughter \$5,000.00 at the time she was married. During the period from 1914 to 1920 I recall many other gifts of money I made to my daughter. Checks from \$150.00 to possibly \$5,000.00, the total was around \$20,000.00 possibly a little bit more. I was in Beverly Hills in the spring of 1916. I recall the conversation with Mr. and Mrs. Anderson regarding the purchase of certain lots in Beverly Hills.

I was visiting my daughter and Mr. Anderson at the time. I always came once or twice a year, especially at that time of year, and stopped at their home. They were talking about buying those lots in Beverly Hills. They asked me if I wanted to join and take part of them and I didn't care to. At the time the first commission they made was discussed quite a little and in buying the property my daughter told me they were some money short, about \$3,000.00, and I gave her the money at that time. She told me she used it for the purchase of those lots. I do not recall any discussion at that time between Mrs. Anderson and me particularly about [90] how title to those lots was to be held. The conversation was when they made their first

(Testimony of J. H. Slattery.)

money on that commission that Mrs. Anderson was entitled to half the commission, and always from then on would have half of everything that they went into. It was my understanding that half of the lots was to belong to my daughter. I wanted to see that my daughter was fairly well protected in that respect. I wanted to know she had an interest in what money was going into it.

TESTIMONY OF STANLEY S. ANDERSON
FOR PETITIONER

Stanley S. Anderson was called as a witness by and on behalf of the petitioner, and having been first duly sworn, testified as follows:

I am the petitioner in this case. I married Marguerite S. Anderson in 1914. My occupation at that time was assistant manager of the Beverly Hills Hotel. My salary was \$250.00 per month. After our marriage Mrs. Anderson came to the hotel. During the period 1914 to 1923, inclusive, she was hostess to the hotel. Her duties consisted of looking after the welfare of the guests and assisting in the management and personnel of the hotel. Her most important work consisted in getting guests to the hotel. Her duties occupied all of her time.

I recall a transaction in 1916 concerning the commission received from one Joyce. The matter was

(Testimony of Stanley S. Anderson.)

first brought to my attention by Mrs. Anderson. Some friends of hers by the name of John B. Joyce and family were looking for an estate and Mrs. Anderson and I went out and hunted them up a place and afterwards Mrs. Anderson and I sold them the property. My wife and I had an agreement in advance as to how the commission was to be split. When we got the commission we agreed to go fifty-fifty. [91] She was to have half as her separate property. I got \$10,000.00 commission. I offered to give my wife half of it. She did not take it. We got together and decided to make an investment. We bought a business corner in Beverly Hills, paying \$13,200.00 for five lots. These lots were purchased in April or May of 1916, shortly after we received the commission, in March of 1916. We got the additional \$3,200.00 from my wife's father, Mr. Slattery. At the time we purchased these lots there was a definite agreement with my wife that she had a one-half interest and I owned the other half.

The witness further testified:

Q. "How were the deeds taken?"

A. The deeds?

Q. To whom?

A. In my name.

Q. She knew it?

A. No, she didn't know until three or four weeks ago.

Q. You mean she didn't pay any attention?

(Testimony of Stanley S. Anderson.)

A. She didn't pay any attention to it.

Q. Do you recall any gifts made by Mr. Slattery to his daughter during the years 1914 to 1920?

A. He was contributing to his daughter right along.

Q. Those gifts, aside from the money put in the lots, was used for what purpose?

A. Expenses.

Q. Household expenses?

A. And everything like that." [92]

I was away during the war, returning in 1919. My wife had written me while I was in Europe that she had made an agreement with my mother whereby we would take the hotel over and run it exclusively, have the management of it and have a salary and one-half of the net profits. My wife worked up the arrangement with my mother. My wife's activity in the hotel was the consideration of the arrangement. My wife made the arrangement with mother as to the manner in which the profits and salary would be divided. When I came home I had an arrangement with my wife whereby she was to work with me and I was to have half and she was to have half.

The witness further testified:

Q. "As separate property?

A. As her own money.

Q. I understand the checks were made out to you?

(Testimony of Stanley S. Anderson.)

A. I made the checks out myself.

Q. Was there any particular reason they were made to yourself?

A. Just a matter of convenience.

Q. What did you and Mrs. Anderson do with the money you got from these profits?

A. Part of it went to enhance the investment we had there, we went ahead and improved five lots in Beverly Hills.

Q. You bought other real estate?

A. Bought and sold.

Q. As I understand the situation, the title to the various lots were taken in your name?

A. Yes, sir.

Q. Did Mrs. Anderson know it?

A. She didn't know until about two weeks ago." [93]

When I made various investments I always consulted with my wife. I did not always agree with her. If we couldn't agree I gave it up. Every investment I made was a joint agreement. My wife understood she had a half interest in the property to be held, a half interest in everything I had or we acquired between us.

My wife did not know about the way the title was held in these properties until several weeks ago. She discovered it after I had been in your office. I told her about it, about having a controversy about the income and told her these titles were in my own name. She said she wanted them in her name and

(Testimony of Stanley S. Anderson.)

I drew up a contract, we did, and I signed it. It was drawn up by her attorney. Those deeds have been recorded.

The witness further testified:

Q. "Now, you recall the arrangements that have been testified to already, with Mr. Christie and Mr. Janss for the real estate syndicate?"

A. Yes, sir.

Q. Those agreements were made in your name, is that true?

A. Yes, sir.

Q. The original agreements were made in your name?

A. Yes, sir.

Q. Did Mrs. Anderson know about it at the time you carried on those conferences?

A. No, she only knew what I told her.

Q. She knew you were carrying on conferences?

A. Yes, sir.

Q. She didn't know whether the agreements were in your name or her name?

A. No, sir." [94]

I recall the occasion on which I gave my wife a letter dated December 5, 1923, that has been introduced in evidence. That came up in this fashion. During this negotiation we were talking about at different times it was so complicated I went to the bookkeeper of the Janss Investment Company and got him to give me a personal memorandum

(Testimony of Stanley S. Anderson.)

and I dictated a letter and showed what interests were covered by this agreement so she would know what her interest would be. I delivered that to her. Under that agreement she was to own one-half of my interest owned in this syndicate. She was to contribute half of the contributions and it was understood that she was to take half of the losses. Mrs. Anderson and I went to Mr. Janss' office and left a copy of that paper. We stated at that time that she had a half interest. Mr. Christie knew only what I told him verbally. My agreement with Mrs. Anderson as communicated to Mr. Janss and Mr. Christie was that she owned equally with me, one-half with me in those syndicate interests. In 1923 I put in that property about \$56,000.00. That money came from hotel earnings. I had the lots mortgaged from time to time. That mortgage was introduced in evidence. The property has increased very much during the years. The occasion of putting a mortgage on it was that I may have needed money. Those lots were purchased in 1916, and we have improved part of them. Mrs. Anderson signed deeds, notes, mortgages, leases, and so forth, everything. I do not know of any occasion when she did not.

Cross-Examination.

I kept the various documents that I had from time to time relating to the various realty transactions, deeds, mortgages and notes, in a safety deposit box, in the bank in Beverly Hills. At one time

(Testimony of E. P. Adams.)

Janss Investment Company, so I asked him the status of the notes at the end of 1925 and he said part of them had been paid. I asked him how they had been paid, there being no checks and he said: "Mrs. Anderson and I have two syndicates and the profits of the syndicates have been applied against the notes."

I do not know whether each individual note has been introduced in evidence. One note is shown as coming in here of \$20,000.00 in 1925 and it was \$10,000.00 according to the Janss record. That had been credited to that note during the year 1925 as earnings from this syndicate. At that time I made a journal. This is the account I set up for Marguerite Anderson during the year 1925, rents received by her that come into the account. [97]

Whereupon there was then offered and received in evidence Petitioner's Exhibit No. 42, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 42 is a photostatic copy of ledger sheet relating to Janss Investment Company "joint M. S. Anderson account" which the witness has identified.

There was also then offered and received in evidence Petitioner's Exhibit No. 43, a copy of which is attached hereto and by this reference made a part of this statement of evidence. Said Exhibit No. 43 is a photostatic copy of Marguerite S. Anderson account comprised of three pages.

I prepared the returns for Mr. and Mrs. Ander-

(Testimony of E. P. Adams.)

son for 1924 and 1925. They filed separate returns. The returns for the year 1925 included as income from the Janss Investment Company this \$10,000.00 I just spoke of. I recall why it was that these profits that the Commission has found were not included for the year 1925. The full amounts were not included because my construction of the law was that cash to be accounted for was only where the cash was actually received. That is the reason the credits of the Janss Investment Company books were not carried in as income. I did not consult Mr. Anderson or Mrs. Anderson about it.

Cross Examination.

I prepared the returns of Mr. and Mrs. Anderson beginning with the year 1920. I heard the testimony this afternoon of Mrs. Anderson. I would say in explanation of the income tax returns of Mr. and Mrs. Anderson for the years 1920 to 1923, inclusive, that they were joint returns up to 1924 and beginning with 1924, and thereafter, separate returns were filed. I can explain that as follows: [98]

In 1920 when I was first engaged as auditor for the Beverly Hills Hotel, at that time I prepared the returns for the hotel and determined the family participation. Mr. Anderson asked me to make up his and Mrs. Anderson's returns, what they had outside of this profit. They had some little memos of what they had. Mr. Anderson said to me then that one-half of these earnings from the hotel belong to Mrs. Anderson, and should show

(Testimony of E. P. Adams.)

as a separate return. I said: "I can't do that under the husband ruling" which was in effect at that time. He wasn't satisfied with that so I marked on the return itself, showed the salaries of both with brackets. The following year I didn't put it on at all. I satisfied him at that time with marking it with brackets; it all showed on his return.

Redirect Examination.

I am not a lawyer. I was relying on regulations and rulings of the income tax commission.

Mr. PEELER: "Petitioner rests.

Mr. WILSON: Respondent rests."

The foregoing evidence is all of the material evidence adduced at the hearing before the United States Board of Tax Appeals, and the same is approved by counsel for petitioner-taxpayer.

[Sgd] WARD LOVELESS,

Counsel for Petitioner on Review. (S) [99]

The foregoing is all of the material evidence adduced at the hearing before the United States Board of Tax Appeals, and the same is approved by the undersigned as attorney for the respondent on review, the Commissioner of Internal Revenue.

(Sgd.) E. BARRETT PRETTYMAN

General Counsel, (S)

Bureau of Internal Revenue.

Approved and Ordered Filed this 22 day of Sept., 1933. C. M. Trammell, Member (s).

[Endorsed]: United States Board of Tax Appeals. Filed Sep. 22, 1933. [100]

PETITIONER'S EXHIBIT 1

THIS AGREEMENT, made and entered into in the City of Los Angeles, State of California, this 1st day of September, 1923, by and between JANSSE INVESTMENT COMPANY, a corporation, organized and existing under the laws of the State of California, hereinafter designated as the "Seller", and CHARLES H. CHRISTIE, of said Los Angeles, hereinafter designated as the "Buyer",

WITNESSETH:

That for and in consideration of the respective covenants and agreements of the parties hereto, it is hereby agreed as follows:

1. The Seller agrees to sell and convey to the Buyer, and the Buyer agrees to purchase from the Seller all that certain piece or parcel of land situated in the City of Los Angeles, County of Los Angeles, State of California, being a portion of the Rancho San Jose De Buenos Ayres, containing one hundred and seven (107) acres more or less, more particularly described as follows:

Beginning at the intersection of the southeasterly line of Lot ten (10), Block thirteen (13), as per map of the Rancho San Jose De Buenos Ayres, recorded in Book 26, pages 19

to 25, Miscellaneous Records of Los Angeles County, with the northwesterly prolongation of the center line of Greenfield Avenue, as per map of Tract No. 5609, Sheet No. 2, recorded in Book 60, pages 34, 35 and 36, of Maps, Records of Los Angeles County; thence northeasterly along said southeasterly line of Lot ten (10) and its northeasterly prolongation to the intersection of a line parallel with 100th Avenue and extending southeasterly from the southeasterly corner of Lot one (1), Block thirteen (13), said Rancho San Jose De Buenos Ayres; thence southeasterly along said parallel line with 100th Avenue, to the intersection with the southeasterly line of the most northerly [101] fifty (50) foot roadway of Santa Monica Boulevard; thence southwesterly along said southerly line of Santa Monica Boulevard to the intersection of the said northwesterly prolongation of the center line of Greenfield Avenue; thence northwesterly along said northwesterly prolongation of the center line of Greenfield Avenue to the point of beginning.

This agreement is made subject to all easements and other rights of record; and subject, also, to the right of the Seller to harvest the walnut crop now growing on said premises and to retain for its own benefit said crop or the proceeds therefrom.

That a map or plat of said property is hereto attached, marked "Exhibit A", and by this refer-

ence made a part hereof; said property being designated on said map or plat as Subdivision 1 and Subdivision 2.

2. The Buyer covenants and agrees to pay to the Seller as the full purchase price of said property the sum of Three Hundred and Twenty-one Thousand Dollars (\$321,000.00), lawful money of the United States (subject to any small adjustments as hereinafter in this paragraph mentioned), to be paid in instalments as follows: Twenty-five thousand dollars (\$25,000.00) in cash upon the execution and delivery of this agreement, the receipt of which is hereby acknowledged by the Seller; Twenty-five thousand dollars (\$25,000.00) in cash on or before the first day of October, 1923; Fifty-seven thousand dollars \$(57,000.00) on or before the 14th day of October, 1923; and the balance of said purchase price, namely, Two hundred and fourteen thousand dollars (\$214,000.00) on or before the 14th day of October, 1926; provided, however, that at the time of the payment of the third payment in the amount of Fifty-seven thousand dollars (\$57,000.00) hereinbefore provided for, and [102] provided said Buyer is not then in default of the performance of any of the terms and provisions of this contract, the said Buyer will have the right to receive from the Seller a good and sufficient grant deed conveying the property covered by this contract to the Buyer, or to his nominee or nominees. At the time that said Buyer requests such deed, he shall pay to the First National Bank of Los An-

geles, California, the said third payment of Fifty-seven Thousand Dollars (\$57,000.00) in cash and deliver to the said First National Bank his promissory note in the amount of Two Hundred and Fourteen Thousand Dollars (\$214,000.00), dated September 1, 1923, payable on or before three (3) years from its date, with interest thereon at the rate of seven per cent, (7%) per annum, payable semi-annually, said note to be secured by a first mortgage in the usual form upon all of the property covered by this agreement, together with any improvements thereon. The Seller may require from the Buyer two (2) notes in any amounts aggregating said sum of Two Hundred and Fourteen Thousand Dollars (\$214,000.00) in place of one note as hereinbefore provided; and said Seller agrees to deliver, together with the deed herein provided for, a guarantee certificate of title, issued by either the Title Insurance and Trust Company, or the Title Guarantee and Trust Company, of Los Angeles, California, guaranteeing the said title in the amount of Three Hundred and Twenty-one Thousand Dollars (\$321,000.00) to be vested in the grantor, free and clear of any and all liens or encumbrances, excepting only such as may be caused or suffered by the act or neglect of the Buyer and liens for taxes and assessments for the tax year 1923-24 and subsequent years. In case the Buyer does not demand the convey- [103] ance of said property as hereinbefore provided upon the payment of said third payment, said property will be conveyed to the Buyer by grant deed and certificate

of title as herein provided upon the full payment of the balance of the purchase price, with interest as herein provided. All payments due under this contract shall be paid to the Seller at its office, No. 404 Metropolitan Building, Fifth Street and Broadway, Los Angeles, California, (except the payment hereinbefore provided to be made to the First National Bank of Los Angeles), in lawful money of the United States. No interest shall be charged to the Buyer on the first three payments totalling one Hundred and Seven Thousand Dollars (\$107,000.00) but the balance of said purchase price, namely, Two Hundred and Fourteen Thousand Dollars (\$214,000.00), shall bear interest at the rate of seven per cent, (7%) per annum from the first day of September, 1923, payable semi-annually on the first day March and the first day of September of each year until the whole of said balance of the purchase price, with interest, has been paid; PROVIDED, HOWEVER, that the final payment, when made, shall include the full balance of interest then accrued. The Buyer is further given the right, if he desires to do so, to pay all or any portion of the instalments thereinbefore set forth at any time prior to the payment dates herein provided.

It is represented by the Seller that the property as above described, and with the southerly boundary of the same, including all of Santa Monica Boulevard north of Pacific-Electric Railroad right-of-way, contains one hundred and seven (107) acres, but, if said property contains more or less

than one hundred and seven (107) acres, the amount of said purchase [104] price will either be increased or decreased, as the case may be, at the rate of Three Thousand Dollars (\$3,000.00) per acre for each number of acres or such portion of an acre as may be contained in said property either more or less than one hundred and seven (107) acres and a proper adjustment made therefor upon the final instalment of the purchase price to be paid by the Buyer.

3. The Buyer shall have and be entitled to the possession and use of said property from and after the date of the execution of this agreement and for such length of time as it shall perform the terms and conditions hereof to be by him performed.

4. (a) It is further understood and agreed, in consideration of the low price for the property hereby sold, that the said Buyer will either himself build or construct, or cause to be built or constructed by others, one motion picture studio either on Subdivision 1 or Subdivision 2 of the above described property on or before two (2) years from September 1, 1923, and said studio, when built and completed, shall be fully equipped and shall be operated in good faith as contemplated hereunder and shall be at least equal in general size and character (with proper allowance for the kind of pictures produced) to the present Christie studio on Sunset Boulevard, or the said Buyer may, in place of one studio, erect two studios, provided the combined size and general business of said two studios is equal in size and general charac-

ter to the one studio herein referred to; and in the event that said motion picture film studio is not constructed as herein provided, the Seller is hereby given the option, to be exercised within sixty (60) days from September 1, 1925, to re-purchase from the Buyer an [105] undivided two-thirds interest in the property covered by this agreement and not occupied by any studio or permanent improvement. The price to be paid for the two-thirds interest of the unoccupied property, which may be re-purchased hereunder by the Seller, shall be based upon the present valuation of the entire property covered by this agreement, taken at its present selling price, less the value to be agreed upon by the parties for the portions occupied by any studio or other improvements; it being contemplated herein that portions of said property fronting on boulevards, etc., have much greater value per acre than other portions; and if the said parties cannot agree upon the value of the portions so excluded, it shall be fixed by three (3) arbitrators, one each selected by the parties hereto, and a third by the two (2) so selected, and in case of a third arbitrator cannot be agreed upon by the two (2) so selected, he shall be selected by the then presiding judge of the Superior Court of Los Angeles County. Payment or adjustment shall also be made by the Seller for two-thirds ($\frac{2}{3}$) of all sums paid for taxes and interest upon the part re-purchased or re-acquired by the Seller hereunder.

(b) Prior to the erection of the studio or studios herein provided for in Paragraph (a) last above,

the Buyer may subdivide and sell property purchased by him hereunder under the following conditions:

(1) That a map of said subdivision shall be prepared which will meet with the approval of the Seller.

(2) That the minimum selling price of property in said subdivision fronting on Santa Monica Boulevard shall not be less than One Hundred Dollars (\$100.00) per front foot and for property fronting on the proposed Westwood Boule- [106] vard, when opened as herein provided for, not less than Fifty-five Dollars (\$55.00) per front foot.

(3) That until a studio or studios herein provided for have been erected, the entire purchase price received for lots or parcels of said property sold or agreed to be sold shall be dealt with as follows: There shall first be deducted therefrom commissions of not to exceed ten per cent, (10%) of the selling price and selling expenses not to exceed five per cent, (5%); that thereafter there shall be paid out of said sum to be applied upon the mortgage indebtedness for the balance of the purchase price of the land herein sold, the release prices provided for under this contract, and of the entire remaining balance of said sum one-third ($1/3$) shall be paid to the Seller and the other two-thirds ($2/3$) shall be impounded with a bank or trust company or other trustee satisfactory to the Seller to be held until the studio or studios hereinbefore provided for have been erected, and in case said studio or studios

are not erected as herein provided for, said two-thirds ($2/3$) so impounded and held by the bank or trust company or trustee, as the case may be, shall be paid over to the Seller free from any claim therein whatsoever on the part of the Buyer. Upon the studio requirements being met with as herein provided for, all impounded money will be released and turned over to the Buyer.

(4) That no sets or temporary buildings or structures of any kind or nature shall be permitted within one hundred and fifty (150) feet of Santa Monica Boulevard for a period of twenty-five (25) years.

(5) That any and all buildings erected on said property, or any portion thereof, for business purposes other than film studio structures shall cost and be reasonably [107] worth not less than Thirty-five hundred Dollars (\$3,500.00) each and any residences erected thereon shall cost and be reasonably worth not less than Three Thousand Dollars (\$3,000.00) each, and said restrictions in this paragraph mentioned shall continue for a period of twenty-five (25) years from the date of this agreement.

(5.) In the event the Buyer shall fail to perform either or any of the covenants or conditions herein contained to be performed by him, the Seller may, after thirty (30) days' notice of such default given to the Buyer, as hereinafter set forth, and provided the Buyer shall not within thirty (30) days after receipt of such notice remedy the default complained of by the Seller, declare the entire balance of the purchase price of said property, together with all interest thereon remaining unpaid, due

and payable, or the Seller may, after like notice, terminate all of the rights and privileges of the Buyer hereunder and, without demand or notice of any kind other than the thirty (30) days' notice herein provided for, re-enter and take possession of said property and remove all persons therefrom and may retain all moneys theretofore paid to it by the Buyer hereunder, provided, however, that said thirty (30) days' notice does not apply to the first three payments totalling One Hundred and Seven Thousand Dollars (\$107,000.00) and said first payments must be made promptly at the time herein specified or the said Seller may forfeit all rights of the Buyer hereunder and retain all sums herein paid immediately and without any notice whatsoever, or may immediately declare the full unpaid balance of the purchase price due and payable.

6. That the Buyer shall, upon demand of the Seller, and at the Buyer's expense, dedicate or take such proceedings as may be necessary to procure the dedication, of a certain right-of-way for street purposes not more than eighty (80) feet in width, including the space provided for sidewalks over and across said property. Said right-of-way shall be located substantially upon the locations marked: "PROPOSED [108] WESTWOOD BOULEVARD" across said Subdivision 1 and Subdivision 2 on said "Exhibit A" hereto attached. The Buyer shall further, when said right-of-way shall have been dedicated, improve the street created thereby

by grading the same in accordance with the specifications and requirements of the City of Los Angeles, and, upon demand of the Seller, improve said street with cement sidewalks and curbs and surface said street with the same kind and quality of surfacing as the continuation of Westwood Boulevard to the north may then be surfaced with, it being contemplated that said street surface will be either "scarafying and oil" or asphalt and cement.

7. That the Buyer shall pay, before the same becomes delinquent, any and all taxes and assessments that may be hereafter levied or assessed against said property or any part thereof, and shall also pay ten-twelfths (10/12) of all city, county and state taxes of every kind levied or assessed thereon for the fiscal year beginning July 1, 1923, and all taxes thereafter; PROVIDED, HOWEVER, that, if the Buyer shall contest, by legal proceedings, any tax, assessment, or governmental taxes which may be or become a lien on said premises, or any part thereof, he shall have the right, pending such contest, to delay or defer the payment thereof but not so as to lose the right to redeem said premises or the part thereof affected by said taxes, assessments or governmental charges from any sale thereunder. If the Buyer shall not pay such taxes, assessments or governmental taxes before the same become delinquent, and does not contest the same by legal proceedings as he may do under the terms hereof, then the Seller [109]

shall have the right at any time, and without notice to the Buyer, to pay any and all such taxes, assessments or charges, together with any costs, interests and penalties that may be added thereto, and any and all said amounts so paid by the Seller, together with interest thereon at the rate of seven per cent, (7%) per annum from the date of such payment, shall be repaid to the Seller by the Buyer on demand therefor. And the Buyer further agrees to keep said premises at all times free and clear of any mechanics' or other similar liens until such time as said property shall have been fully paid for under this agreement.

8. It is specifically understood and agreed, however, that nothing herein contained shall be deemed or construed to require the Buyer to pay any tax, assessment, lien or charge levied upon or against said property by reason of any act, neglect or failure on the part of the Seller, and in the event that the Buyer shall have been required to pay any such tax, assessment, charge or lien in order to protect the above described property or any interest therein against the lien thereof, the amount so paid by him shall be credited on the amount of the purchase price due to the Seller at the time of such payment.

9. That wherever in this agreement it is provided that one of the parties shall or may take such steps or proceedings as shall be necessary to accomplish the vacation or the dedication of any right-of-way, for a street or highway purpose, it shall be under-

stood that the other party hereto shall, at the request of the party in the execution of any and all documents, petitions, or other instruments necessary to accomplish the purpose mentioned, and if either of the parties shall at any time desire to record any map of said property or of the tracts immediately adjoining said property, the other party hereto shall join in approving or executing any such map to be so filed. [110]

10. It is contemplated by the parties hereto that the above property may be subdivided by the Buyer and be sold in parcels or in lots, free of encumbrances; and to that end the Seller will prepare or draft a map or subdivision plat of said property in accordance with the directions of the Owners, showing the location, boundaries and dimensions of all streets, alleys and lots, and shall designate each block and lot by number or other appropriate designation. A schedule of prices at which each lot designated on said map or plat will be released from the lien of any mortgage or encumbrance on said lots existing at date hereof, or created by Seller, or created by Buyer in favor of Seller, shall then be agreed upon by the Seller and Buyer. Said release prices shall be based upon the desirability of said lots as determined by their location and frontage and in any event will be so calculated that the total aggregate release price of said lots or parcels shall be equal to the sum of not less than Five Thousand Dollars (\$5,000.00) per acre for all of said described property. Upon the

payment to the Seller of said release price, the Seller will convey said lot (or release from any existing mortgage) to the Buyer, free of all encumbrances. Said payment shall be applied upon unpaid balance of the purchase price of said hereinbefore described subdivision 1 and Subdivision 2.

11. That in computing the extent of the acreage that is sold hereunder, Santa Monica Boulevard north of the Pacific Electric Railroad right-of-way shall be included.

12. It is further agreed that neither the property hereby agreed to be sold nor any part thereof shall at any time hereafter be leased, rented, sold or conveyed to any person not of the White or Caucasian race, nor be used or [111] occupied by any person who is not of the White or Caucasian Race, but this provision shall not be taken or construed so as to prohibit or restrict the Buyer, or his successor or successors in interest, from employing persons who shall render services in, upon or about said property, who may not be of the White or Caucasian race, and if the duties and services of such employees shall require them to live upon said premises, such occupancy shall not be deemed or construed to be a violation of the terms hereof, provided that said servants or employees shall not acquire any title whatsoever in said property, and all deeds given hereunder shall contain all of the restrictions and conditions of user set out in this paragraph and in the foregoing agreement.

13. That the Seller shall be entitled to the free

rental of the ground occupied by its present tract office now located on said premises during the term of the existence of the selling agency given to the Seller under an agreement of even date, covering Subdivisions 3 and 4, between Janss Realty & Finance Company, Charles H. Christie, Stanley S. Anderson and Janss Investment Company, provided said free rental shall not continue for a period of over two (2) years from the date of this agreement and if the premises hereby occupied by said tract office shall be required by the Buyer or sold to other parties, said tract office may be moved at the Buyer's expense to some other location on Santa Monica Boulevard to be mutually agreed upon by the parties hereto with a like free rental for the term in this paragraph referred to.

14. That whenever any notice is to be given by either [112] of the parties hereto to the other, it shall be given by registered mail, addressed to the party who is to receive the same at the address set after the name of said party as follows:

Janss Investment Company, 404 Metropolitan Building, Los Angeles, California.

Charles H. Christie, 6101 Sunset Boulevard, Los Angeles, California.

15. That time is of the essence of each and all of the terms and provisions of this agreement.

16. That this agreement shall inure to the benefit and shall bind the heirs, devisees, executors, administrators, successors in interest, and assigns of the parties hereto.

IN WITNESS WHEREOF the Seller has hereunto caused its corporate name and *sale* to be hereunto affixed by its officers thereunto duly authorized, and the Buyer has signed his name hereto, the day and year first above written.

JANSS INVESTMENT COMPANY,
(Signed) By Edwin Janss Vice-President

(Signed) By Harold Janss Secretary

CHARLES H. CHRISTIE

(Signed) By Fred L. Porter

Attorneys in Fact. [113]

[Endorsed]: U. S. Board of Tax Appeals. Admitted in Evidence Jun 14 1932.

PETITIONER'S EXHIBIT 2.

COPY

THIS AGREEMENT made and entered into in the City of Los Angeles, State of California, this 1st day of September, 1923, by and between JANSS INVESTMENT COMPANY, a corporation, organized and existing under the laws of the State of California, hereinafter designated as the "Seller", and CHARLES H. CHRISTIE and STANLEY S. ANDERSON, hereinafter designated as the "Buyers",

WITNESSETH:

That for and in consideration of the respective covenants and agreements of the parties hereto, it is hereby agreed as follows:

1. The Seller agrees to sell and convey to each of the Buyers, and each of the Buyers agrees to purchase from the Seller, an undivided one quarter interest in and to that certain piece or parcel of land situated in the City of Los Angeles, County of Los Angeles, State of California, being a portion of the Rancho San Jose De Buenos Ayres, containing one hundred twenty and one-half ($120\frac{1}{2}$) acres, more or less, more particularly described as follows:

Subdivision No. 3. A parcel of land containing forty-five and five-tenths (45.5) acres, more or less, being a portion of the Rancho San Jose De Buenos Ayres, more particularly described as follows:

Beginning at the intersection of the southwesterly prolongation of the southeasterly line of Lots three (3) and ten (10), Block thirteen (13), as per map of Rancho San Jose De Buenos Ayres, recorded in Book 26, pages 19 to 25, Miscellaneous Records of Los Angeles County, with the center line of 100th Avenue; thence northeasterly along said southeasterly line of said Lots three (3) and ten (10) to the intersection with the northwesterly prolongation of the center line of Greenfield Avenue as per map of Tract No. 5609, Sheet 2, recorded in Book 60, pages 34, 35 and 36 of Maps, Records of Los Angeles County; thence southeasterly along said northwesterly prolongation of the center line of Greenfield Avenue to the

intersection with the southeasterly line of the most northerly fifty (50) foot roadway of Santa Monica Boulevard; thence southwesterly along said southeasterly line [114] of Santa Monica Boulevard and its southwesterly prolongation to the intersection of the center line of 100th Avenue; thence northwesterly along said center line of 100th Avenue to the point of beginning.

Subdivision No. 2. A parcel of land containing seventy-five (75) acres, more or less, being a portion of the Rancho San Jose De Buenos Ayres, more particularly described as follows:

Beginning at the intersection of the center line of Wilshire Boulevard with a line northeasterly from, distant thirty (30) feet at right angles to and parallel with the northeasterly line of Lots ten (10), eleven (11) and twelve, Block thirteen (13), as per map of Rancho San Jose De Buenos Ayres, recorded in Book 26, pages 19 to 25, Miscellaneous Records of Los Angeles County; thence northeasterly along said center line of Wilshire Boulevard to intersection with a line southwesterly from, distant thirty (30) feet at right angles to and parallel with the southwesterly line of Lot one (1) Block eighteen (18), said Map of the Rancho San Jose De Buenos Ayres; thence southeasterly along said line distant thirty (30) feet at right angles to and parallel with the southwesterly line of said Lot one (1) to the

southwesterly prolongation of the southeasterly line of said Lot one (1); thence northeasterly along the said southwesterly prolongation of the southeasterly line of said Lot one (1) and the southeasterly line of said Lot one (1) to the southeasterly corner of said Lot one (1); thence southeasterly parallel with the northeasterly line of 100th Avenue to the intersection with the northeasterly prolongation of the southeasterly line of Lots three (3) and ten (10), Block thirteen (13), said Rancho San Jose De Buenos Ayres; thence southwesterly along said northeasterly prolongation of the southeasterly line of said Lots three (3) and ten (10) to the intersection with said line northeasterly from, distant thirty (30) feet at right angles to and parallel with the northeasterly line of said Lots ten (10), eleven (11) and twelve (12); thence northwesterly along said line northeasterly from, distant thirty (30) feet at right angles to and parallel with the northeasterly line of said Lots ten (10), eleven (11) and twelve (12) to the point of beginning.

The parcels of land above described being more particularly shown outlined in red on the plat hereto attached and made a part hereof.

This agreement is made subject to all easements and other rights of record, and subject also to the right of the Seller to harvest the walnut crop now growing on said premises and to retain for its own benefit said crop or the proceeds therefrom.

That a map or plat of said property is hereto attached, marked "Exhibit A", and by this reference made a part hereof, [115] said property being designated on said map or plat as Subdivisions 3 and 4 as outlined in red thereon.

2. The Buyers covenant and agree to pay to the Seller, as the purchase price of said property, the total sum of One Hundred and Eighty Thousand Seven Hundred and Fifty Dollars (\$180,750.) lawful money of the United States (subject to any small adjustment as hereinafter in this paragraph mentioned) to be paid in instalments as follows: Ten Thousand Dollars (\$10,000.00) in cash upon the execution and delivery of this agreement, the receipt of which is hereby acknowledged by the Seller; Ten Thousand Dollars (\$10,000.) in cash on or before thirty (30) days from the date hereof; and Forty Thousand, Two Hundred and Fifty Dollars (\$40,250.) in cash on or before the 14th day of October, 1923; said last mentioned payment of Forty Thousand, Two Hundred and Fifty Dollars (\$40,250.) to be paid in escrow to the First National Bank of Los Angeles for the order of the Seller, to be paid over to the Seller by the said Bank upon delivery of a deed, or deeds, conveying title to said Purchasers as herein provided, together with a certificate of title; and that at the time of said payment, and as a condition precedent to receiving a deed, or deeds, to said property, the Purchasers agree to execute and deliver their several promissory note or notes aggregating in the case of each

purchaser, the sum of Sixty Thousand Two Hundred Fifty (\$60,250.00) Dollars, payable to the Seller, dated September 1, 1923, payable on or before three (3) years from date, with interest thereon at the rate of seven per cent (7%) per annum, payable semi-annually, said note or notes to be secured by a first mortgage in the usual form upon the respective interests of the Buyers covered by this agreement, together with any improvements thereon; and the Seller is given the right to [116] require either one or two notes in any proportionate amounts from each of the Buyers covering their respective half portions of said total amount of One Hundred Twenty Thousand Five Hundred Dollars (\$120,500.); and said Seller agrees to deliver, together with the deed or deeds herein provided for, a guarantee certificate of title issued by either the Title Insurance and Trust Company or the Title Guarantee and Trust Company of Los Angeles, guaranteeing the said title in the amount of One Hundred Eighty Thousand Seven Hundred and Fifty Dollars (\$180,750.) to be vested in the grantor free and clear of any and all liens or encumbrances, excepting only such as may be caused or suffered by the act or neglect of the Buyers, and liens for taxes and assessments for the tax year 1923-24 and subsequent years.

All payments due under this contract other than the said payment of Forty thousand Two Hundred and Fifty Dollars (\$40,250.) (to be made at the First National Bank of Los Angeles as hereinbe-

fore provided) shall be paid to the Seller at its office No. 404 Metropolitan Building, Fifth Street and Broadway, Los Angeles, California, in lawful money of the United States. No interest shall be charged to the Buyers upon the first three cash payments totalling the sum of Sixty Thousand Two Hundred and Fifty Dollars (\$60,250.) but the balance of said purchase price, namely, One Hundred Twenty Thousand Five Hundred Dollars (\$120,500.), shall bear interest at the rate of seven per cent. (7%) per annum from the 1st day of September, 1923, payable semi-annually on the first day of March and the first day of September of each year until the whole of said balance, with interest, has been paid, provided, however, that final payment, when made, shall include the full balance of interest then accrued. The Buyers are further given the right, if they desire to do so, to pay all or any portion of the instalments hereinbefore set forth, at any time prior to the payment dates herein provided. [117]

It is represented by the Seller that said property as above described, the northern boundary of the same being the center line of Wilshire Boulevard as to Subdivision No. 4, and the westerly boundary of Subdivision No. 3, being coincident with the center line of Military Road and the southerly line of Subdivision No. 3 including all of Santa Monica Boulevard north of the Pacific Electric right-of-way, contains one hundred twenty and one-half (120½) acres more or less. If said property shall

be found to contain less than said number of acres, then the amount of said purchase price shall be decreased at the rate of Three Thousand Dollars (\$3,000.) per acre for such number of acres, or fraction thereof, as there may be found less than one hundred twenty and one-half ($120\frac{1}{2}$) acres, and, should said property be found to contain more than one hundred twenty and one-half ($120\frac{1}{2}$) acres, then said purchase price shall be in like manner increased. Said readjustment in price may be made at any time that said acreage shall be definitely determined and the readjustment in price shall be made at the time of the next succeeding payment of installment on account of the purchase price thereof.

3. That the Buyers shall have and be entitled to the possession and use of said property from and after the date and execution of this agreement and for such length of time as they perform the terms and conditions hereof to be by them performed, and may improve and use said property and may erect and construct buildings or other structures or improvements thereon for such purposes as they may desire during said period of time, subject to the provisions herein contained for the subdivision of said property.

The title to be conveyed to the Buyers herein, or [118] to their nominees, upon full performance by the Buyers of each and all of the terms and conditions of this contract shall be free and clear of any and all liens of any kind or nature whatsoever, clouds or encumbrances, excepting right-of-way

given to the City of Los Angeles for a pipe line in proposed Westwood Boulevard, and excepting, also, such as may be caused or suffered by the act or neglect of the Buyers, tax liens for the tax year 1923-24 and subsequent years and such as are otherwise herein provided.

In case the Buyers do not desire to obtain a deed to said property and to give back to the Seller their note and first mortgage as hereinbefore provided, the said Buyers may continue to make the payments hereinbefore provided for to the Seller at its place of business in the City of Los Angeles, and in such case said Buyers shall not be entitled to receive a deed to said property and certificate of title until the full purchase price has been paid to the Seller and full performance of all of the terms and conditions of this agreement have been complied with by the Buyers.

In the event the Buyers shall fail to perform any or either of the covenants or conditions herein contained to be performed by them, the Seller may, after thirty (30) days' notice of such default given to the Buyers as hereinafter set forth and provided the Buyers shall not, within thirty (30) days after receipt of such notice, remedy the default complained of by the Seller, declare the entire balance of the purchase price of said property, together with all interest thereon remaining unpaid, due and payable, or the Seller may, after like notice, terminate all of the rights and privileges of the Buyers hereunder and, without demand or notice of

any [119] kind other than the thirty (30) days' notice herein provided for, re-enter and take possession of said property and remove all persons therefrom and may retain all moneys theretofore paid to it by the Buyers hereunder, provided, however, that said thirty (30) days' notice does not apply to the first three payments totalling Sixty Thousand Two Hundred and Fifty Dollars (\$60,250) and said first payments must be made promptly at the time herein specified or the said Seller may forfeit all rights of the Buyers hereunder and retain all sums herein paid immediately and without any notice whatsoever, or may immediately declare the full unpaid balance of the purchase price due and payable.

4. That the Buyers shall, upon the demand of the Seller, and the seller shall, upon demand of the buyers, and at the expense of all the parties hereunder, in proportion to their several interests in said property, take such proceedings as may be necessary to procure the dedication of a certain right-of-way for street purposes not more than eighty (80) feet in width, including the space provided for sidewalks, over and across said property. Said right-of-way shall be located substantially upon the location marked "Proposed Westwood Boulevard across said Subdivision 3 and Subdivision 4 on said "Exhibit A" attached hereto. The parties hereto shall further, when said right-of-way shall have been dedicated, improve the street created thereby by grading the same in accordance with the specifica-

tions and requirements of the City of Los Angeles and by surfacing said street according to those specifications known as "scarafying and oil" or asphalt or cement as demanded by Seller.

5. That the Buyers shall pay, before the same becomes delinquent, any and all taxes and assessments that may be hereinafter levied or assessed against the said property, or any part [120] thereof, and shall also pay ten-twelfths (10/12) of the city, county and state taxes, or other taxes, levied on the property hereby purchased, for the fiscal year 1923-24. PROVIDED, HOWEVER, that if the Buyers shall contest by legal proceedings any tax, assessments or governmental charge which may be or become a lien on said premises, or any part thereof, they shall have the right, pending such contest, to delay or defer the payment thereof, but not so as to lose the right to redeem said premises or the part thereof affected by such taxes, assessments or governmental charges, from any sale thereunder. If the Buyers shall not pay such taxes, assessments or governmental charges before the same become delinquent, and do not contest the same by legal proceedings, as they may do under the terms hereof, then the Seller shall have the right at any time, and without notice to the Buyers, to pay any or all of said taxes, assessments or charges, together with any costs, interests and penalties that may be added thereto and any and all of said amounts, so paid by the Seller, together with interests thereon at the rate of seven per cent. (7%)

per annum from date of such payment shall be repaid to the Seller by the Buyers on demand therefor.

It is specifically understood and agreed, however, that nothing herein contained shall be deemed or construed to require the Buyers to pay any tax, assessment, lien or charge levied upon or against said property by reason of any act, neglect or failure on the part of the Seller, and in the event that the Buyers shall have been so required to pay any such tax, assessment, charge or lien, in order to protect the above described property or any interest therein against the lien thereof, the amount so paid by them shall be credited on the amount of the purchase price due to the Seller at the time of such payment. [121]

6. That wherever in this agreement it is provided that either the Seller or the Buyers shall or may take such steps or proceedings as shall be necessary to accomplish the dedication of any right-of-way for street or highway purposes, it shall be understood that the other party hereto shall, at the request of the party taking such steps or proceedings, join with such party in the execution of any and all documents, petitions or other instruments necessary to accomplish the purpose mentioned, and if either of the parties shall at any time desire to record any map of said property the other party hereto shall join in approving or executing any such map to be so filed.

7. That in computing the extent of the acreage that is sold herein, Subdivision 3 and Subdivision 4,

on the north half of Wilshire Boulevard, is included, on the west half of Military Road is included, on the south all of Santa Monica Boulevard north of Pacific Electric right-of-way is included.

8. It is contemplated by the parties hereto that the above property may be subdivided by the Buyers and be sold in parcels or in lots, free of encumbrances; and to that end the Seller will prepare or draft a map or subdivision plat of said property in accordance with the directions of the Owners, showing the location, boundaries and dimensions of all streets, alleys and lots, and shall designate each block and lot by number or other appropriate designation. A schedule of prices at which each lot designated on said map or plat will be released from the lien of any mortgage or encumbrance on said lots existing at date hereof, or created by Seller, or created by Buyer in favor of Seller, shall then be agreed upon by the Seller and Buyers. Said release prices shall be based upon [122] the desirability of said lots as determined by their location and frontage and in any event will be so calculated that the total aggregate release price of said lots or parcels shall be equal to the sum of not less than Five Thousand Dollars (\$5,000.) per acre for all of said described property. Upon the payment to the Seller of said release price, the Seller will convey said (or release from any existing mortgage) lot to the Buyers free of all encumbrances. Said payment shall be applied upon the unpaid balance of the purchase price of said hereinbefore described Subdivision 1 and Subdivision 2.

9. It is further agreed that neither the property hereby agreed to be sold nor any part thereof shall at any time hereafter be leased, rented, sold or conveyed to any person not of the White or Caucasian race, nor be used or occupied by any person who is not of the White or Caucasian race, but this provision shall not be taken or construed so as to prohibit or restrict the Buyers, or their successor or successors in interest, from employing persons who shall render services in, upon or about said property, who may not be of the White or Caucasian race, and if the duties and services of such employees shall require them to live upon said premises, such occupancy shall not be deemed or construed to be a violation of the terms hereof, provided that said servants or employees shall not acquire any title whatsoever in said property, and all deeds given hereunder shall contain all of the restrictions and conditions of user set out in this paragraph and in the foregoing agreement.

10. That the Seller shall be entitled to the free [123] rental of the ground occupied by its present tract office now located on said premises during the term of the existence of the Selling agency given to the Seller under an agreement of even date covering Subdivisions 3 and 4 between the Janss Realty & Finance Company, Charles H. Christie, Stanley S. Anderson and Janss Investment Company, provided said free rental shall not continue for a period of over two (2) years from the date of this agreement and if the premises hereby occupied by

said tract office shall be required by the Buyer or sold to other parties, said tract office may be moved at the Buyers' expense to some other location on Santa Monica Boulevard to be mutually agreed upon by the parties hereto with a like free rental for the term in this paragraph referred to.

11. That whenever any notice is to be given by either of the parties hereto to the other, it shall be given by registered mail, addressed to the party who is to receive the same, at the address set forth after the name of said party as follows:

Janss Investment Company, 404 Metropolitan Building, Los Angeles, California.

Charles H. Christie, 6101 Sunset Boulevard, Los Angeles, California.

Stanley S. Anderson, Beverly Hills Hotel, Beverly Hills, California.

12. That it is expressly understood that said Christie and said Anderson, their successors and assigns, shall be severally and not jointly liable for the performance of any of the terms of this agreement provided to be performed by the Buyers, [124] and that this contract of said Buyers is for an undivided one-quarter ($\frac{1}{4}$) interest in the same and in the title to the property created hereby, and that in the event of the failure of either of them to perform any term, covenant or condition hereof, the other shall have the right to perform such term, covenant or condition hereof, and such performance by either of said parties shall constitute a good and

sufficient performance of each and all of the terms and conditions hereof.

13. That time is of the essence of each and all of the terms and provisions of this agreement.

14. That this agreement shall inure to the benefit and shall bind the heirs, devisees, executors, administrators, successors in interest, and assigns of the parties hereto.

IN WITNESS WHEREOF the Seller has hereunto caused its corporate name and seal to be hereunto affixed by its officers thereunto duly authorized, and the Buyers have signed their names hereto, the day and year first above written.

JANSS INVESTMENT COMPANY,

(Signed) By Edwin Janss Vice President.

(Signed) By Harold Janss Secretary.

(Signed) CHARLES H. CHRISTIE

By Fred L. Porter

Attorney in Fact

(Signed) Stanley S. Anderson

[Endorsed]: U. S. Board of Tax Appeals. Admitted in Evidence Jun 14, 1932. [125]

PETITIONER'S EXHIBIT 3.

COPY

THIS AGREEMENT made and entered into, in the City of Los Angeles, State of California, this 10th day of September, 1923, by and between JANSS INVESTMENT COMPANY, a California

corporation, CHARLES H. CHRISTIE and STANLEY S. ANDERSON, hereinafter called "Owners", and JANSSE REALTY & FINANCE COMPANY, a corporation, organized and existing under the laws of the State of California, hereinafter called the "Agent",

WITNESSETH:

WHEREAS the Jansse Investment Company has, by an agreement of even date herewith, agreed to sell to Charles H. Christie and Stanley S. Anderson an undivided one-quarter interest to each in the real property hereinafter more particularly described; and

WHEREAS said Jansse Investment Company and Charles H. Christie and Stanley S. Anderson desire to have the Jansse Realty & Finance Company, a California corporation, act as the exclusive selling agent for the purpose of subdividing, improving and selling the whole of said property including both the undivided one-half interest of the Jansse Investment Company and the undivided one-quarter interest each of said Charles H. Christie and Stanley S. Anderson;

NOW, THEREFORE, in consideration of the premises and of the covenants, terms and conditions to be performed by the respective parties hereto, it is hereby agreed;

First: That the Agent is hereby appointed the agent of the Owners for the purpose of subdividing, improving and selling, as hereinafter provided, with such powers, authority and duties and subject to

such limitations and conditions as are hereinafter mentioned, the following described real property, hereinafter called "said property", situate in the City of Los Angeles, [126] County of Los Angeles, State of California, being a portion of the Rancho San Jose De Buenos Ayres, and more particularly described as follows, to-wit:

Subdivision No. 3. A parcel of land containing forty-five and five-tenths (45.5) acres, more or less, being a portion of the Rancho San Jose De Buenos Ayres, more particularly described as follows:

Beginning at the intersection of the southwesterly prolongation of the southeasterly line of Lots three (3) and ten (10), Block thirteen (13), as per map of Rancho San Jose De Buenos Ayres, recorded in Book 26, Pages 19 to 25, Miscellaneous Records Los Angeles County, with the center line of 100th Avenue; thence northeasterly along said southeasterly line of said lots three (3) and ten (10) to the intersection with the northwesterly prolongation of the center line of Greenfield Avenue, as per Map of Tract No. 5609, Sheet 2, Recorded in Book 60, Pages 34, 35 and 36 of Maps, Records of Los Angeles County; thence southeasterly along said northwesterly prolongation of the center line of Greenfield Avenue to the intersection with the southeasterly line of the most northerly fifty (50) foot roadway of Santa Monica Boulevard; thence southwesterly along

said southeasterly line of Santa Monica Boulevard and its southwesterly prolongation to the intersection of the center line of 100th Avenue; thence northwesterly along said center line of 100th Avenue to the point of beginning.

Subdivision No. 4. A parcel of land containing seventy-five (75) acres, more or less, being a portion of the Rancho San Jose De Buenos Ayres, more particularly described as follows:

Beginning at the intersection of the center line of Wilshire Boulevard with a line northeasterly from, distant 30 feet at right angles to and parallel with the northeasterly line of Lots 10, 11, and 12, Block 13, as per Map of Rancho San Jose De Buenos Ayres, recorded in Book 26, Pages 19 to 25, Miscellaneous Records of Los Angeles County; thence northeasterly along said center line of Wilshire Boulevard to intersection with a line southwesterly from, distant 30 feet at right angles to and parallel with the southwesterly line of Lot 1, Block 18, said Map of the Rancho San Jose De Buenos Ayres; thence southeasterly along said line distant 30 feet at right angles to and parallel with the southwesterly line of said Lot 1 to the southwesterly prolongation of the southeasterly line of said Lot 1; thence northeasterly along the said southwesterly prolongation of the southeasterly line of said Lot 1 and the southeasterly line of said Lot 1 to the southeasterly

corner of said Lot 1; thence southeasterly parallel with the northeasterly line of 100th Avenue to the intersection with the [127] northeasterly prolongation of the southeasterly line of Lots 3 and 10, Block 13, said Rancho San Jose De Buenos Ayres; thence southwesterly along said northeasterly prolongation of the southeasterly line of said Lots 3 and 10 to the intersection with said line northeasterly from, distant 30 feet at right angles to and parallel with the northeasterly line of said Lots 10, 11 and 12; thence northwesterly along said line northeasterly from, distant 30 feet at right angles to and parallel with the northeasterly line of said Lots 10, 11 and 12, to the point of beginning.

The parcels of land above described being more particularly shown, outlined in red, on the plat hereto attached and made a part hereof.

Second: That the Agent shall forthwith survey or cause said property to be surveyed and prepare and draft a practical map or subdivision plat of a portion of said property, and shall submit said map or plat to the Owners for their approval within 10 days from the date hereof. In the event that said map or plat should be in any respect unsatisfactory to the Owners, the Agent shall immediately proceed to change, alter or redraft said map or plat or prepare a new map or plat in accordance with the directions of the Owners, and with due diligence

prosecute same to completion, and submit to the Owners for their approval. Said map or plat shall show the location, boundaries and dimensions of all streets, alleys and lots, and shall designate each block and lot by number or other appropriate designation.

Third: That upon the acceptance of said map or plat by the Owners, the agent shall use its best efforts to comply or cause compliance to be made with the provisions of the laws of the State of California respecting the preparation, approval and recording of maps of subdivisions of lands into lots for the purpose of sale, including the recording of said map or [128] plat in the office of the County Recorder of the County of Los Angeles.

Fourth: That the Agent shall prepare and submit to the Owners for their approval, not later than ten (10) days from and after the recording of said map or plat, a budget in itemized and detailed form, showing the estimated actual cost of the subdivision and improvement of said property, including a detailed statement of the character, nature and extent of all improvements to be made. In the event said budget shall be unsatisfactory to the Owners in any particular, the Agent shall forthwith prepare and submit to the Owners for their approval a new budget in accordance with the directions of the Owners.

Fifth: That the Agent shall, upon the acceptance of said budget by the Owners, forthwith proceed to subdivide and improve said property in accordance

with said map or plat and said approved budget, and diligently prosecute the subdivision and improvement of said property to completion.

Sixth: That the Agent shall at all times actively and diligently manage, direct and supervise in all particulars the subdivision and improvement of said property, and use its best efforts in that regard.

Seventh: That the Agent shall utilize, in the subdivision and improvement of said property, all grading and road building equipment and machinery, cement mixers, engineering and surveying equipment, and all other machinery or equipment of whatsoever nature capable of use in the subdivision and improvement of said property of which it may be the owner or to the possession and use of which it may be lawfully entitled. The Agent shall be entitled, as compensation for the [129] use of such property, such reasonable rental or sums as shall be authorized by the budget of costs of subdivision and improvement approved by the Owners.

The Agent shall also utilize in connection with the subdivision and improvement of said property, the services of such engineers, surveyors, foremen and laborers in its employ, available for such purpose, as may be needed, and shall be entitled to compensation therefor in accordance with the provisions of Section Eighth hereof.

Eighth. That the Owners shall pay upon demand, when and as incurred, the actual cost of the

subdivision and improvement of said property as set forth in and authorized by the approved budget of subdivision and improvement, and the Agent shall be without authority to incur, as agent for, on behalf of, or impose upon the Owners, any liability for any purpose which shall not be specifically authorized by the provisions of said approved budget, and the owners shall incur no liability whatever to the Agent or to any other person, firm or corporation for any money expended or obligations incurred by the Agent not specifically authorized by the terms of said approved budget.

Ninth: That as compensation to the Agent for all services it may render in connection with the supervision, direction and management of the subdivision and improvement of said property, the Owners shall pay to the Agent a sum equal to ten per centum (10%) of the actual cost of the labor and materials used in such subdivision and improvement, provided that the cost of labor and materials and all other expenses incurred in connection with the installation of gas, water and electricity, including excavations, conduits, pipes, wires and poles, shall not be considered as a basis for determining such compensation, or computed as a part of said cost, and the agent shall be entitled [130] to no percentage of the cost and/or expense paid or incurred in connection with such installation of gas, water and electricity, and provided, further, that only such items of cost shall be considered in making up the basis for such compensa-

tion as shall have been specifically authorized in said approved budget. The Owners shall pay to the Agent said compensation within thirty (30) days after the final completion of each unit of the subdivision and improvement of said property, and the acceptance of same by the Owners.

Tenth: That the Agent shall prepare and submit to the Owners for their approval, not later than ten (10) days from and after the recording of said map or plat, a budget, hereinafter called the "sales budget", in itemized and detailed form, showing the nature, amount and estimated cost of advertising for sale the lots of the subdivision of said property; the estimated cost of selling said lots; the minimum selling price of each and all of said lots, and an estimate of the ultimate profit expected to be derived from the sale of said property as subdivided. Said budget shall specify the conditions and terms upon which sales of said lots shall be made, and shall also specify the amounts of all salaries, commissions and compensation to be paid to the sales managers, agents and subagents, and the minimum and maximum number of sales managers, agents and subagents to be employed or engaged in the sale of the lots of said subdivision. In the event said budget shall be unsatisfactory to the Owners in any particular, the agent shall forthwith prepare and submit to the Owners for their approval a new budget in accordance with the direction of the Owners.

Eleventh: That the Agent shall, upon the acceptance of said sales budget by the Owners, proceed

to advertise for sale and sell the lots of said subdivision in accordance with [131] said approved sales budget and the instructions and directions of the Owners.

Twelfth: That the Agent shall at all times actively and diligently manage, direct, and supervise in all particulars the sale of the lots of said subdivision and the advertisement thereof for sale, and use its best efforts in that regard, and shall employ or engage for that purpose such sales managers, agents and subagents as shall be necessary to promptly and efficiently sell said lots, in accordance with the provisions of the approved sales budget.

Thirteenth: That the Owners shall pay, upon demand when and as incurred, the actual cost of advertising for sale the lots of said subdivision as set forth in and authorized by said approved sales budget, and the Agent shall be without authority to incur as agent for on behalf of, or impose upon, the Owners, any liability for any purpose which shall not be specifically authorized by the provisions of said approved sales budget, and the Owners shall incur no liability whatever to the Agent or to any other person, firm or corporation for any money expended or obligations incurred by the Agent which shall not have been specifically authorized by the terms of said approved sales budget.

Fourteenth: That the Agent shall be authorized to pay from the proceeds derived from the sale of the lots of said subdivision to such sales managers, agents and subagents as it shall engage or employ

in connection with the sale of the lots of said subdivision, in accordance with the provisions of said approved sales budget, such salaries, commissions and compensation as shall be specifically authorized by the provisions of said approved sales budget, and the Agent shall be without authority to pay from the proceeds derived from the [132] sale of the lots of said subdivision, or from any other source or funds, any money, or incur as Agent for, on behalf of, or impose upon the Owners any liability whatever for salaries, commissions or compensation which shall not have been specifically authorized by the provisions of said approved sales budget, and the Owners shall incur no liability whatever to the Agent or to any other person, firm or corporation, whether said person, firm or corporation shall be engaged or employed by the Agent in connection with the sale of the lots of said subdivision or not, for any money expended or obligations incurred by the Agent, whether said money or obligation shall represent salaries, commissions or compensation or not, which shall not have been specifically authorized by the terms of said approved sales budget.

Fifteenth: In the event the proceeds derived from the sales of said lots shall be insufficient to pay the salaries, commissions or compensation mentioned in Section Fourteenth of this agreement, then the Owners shall pay to the Agent, upon demand, the amount of such deficiency.

Sixteenth: That as compensation to the Agent for all services it may render in connection with the

supervision, direction and management of the sale of the lots of said subdivision, and the advertisement thereof for sale, the Owners shall pay to the Agent a sum equal to ten per centum (10%) of the gross amount of cash, when and as received from the sale of the lots of said subdivision. Said compensation shall be payable to the Agent on the 15th day of each and every calendar month, and shall be based upon the gross amount of cash received from the sale of said lots during the next preceding calendar month. [133]

Seventeenth: That the Agent shall have no authority to sell, offer for sale or negotiate for the sale of, or obligate or attempt to obligate the Owners to sell any lot of said subdivision for a price less than, or upon terms different from, that prescribed in the approved sales budget unless expressly authorized so to do by the Owners.

That all deeds, contracts and other instruments relating to the sale of any of the lots of said subdivision, shall be signed, executed and delivered by the Owners, provided, however, that the said Agent shall have, and it is hereby given, full authority to sign, execute and deliver sales agreements for the sale of any of said property.

That all contracts, notes, mortgages, deeds of trust and other instruments relating to the sale of any of the lots of said subdivision shall be made in the name of the Owners, and by the terms thereof all moneys due thereunder shall be payable to the Owners or to their order or assignee.

That forthwith upon receipt of same, the Agent shall deliver, without demand, to the Owners all executed contracts, mortgages, notes, deeds of trust and other instruments relating to the sale of any of the lots of said subdivision.

Eighteenth: That the Agent shall collect when and as payable all moneys due to the owner in connection with the sale of any of the lots of said subdivision or otherwise, including moneys due under contracts, notes mortgages and deeds of trust.

Nineteenth: That the Agent shall pay to the Owners, without demand, on the 15th day of each and every calendar month the total amount of all moneys collected by the Agent in its capacity as agent hereunder during the next preceding calendar month, after deducting therefrom all moneys actually expended by the Agent under the authority of the Owners, or [134] under the authority of any approved budget, and after deducting such commissions or compensation as may be payable to the Agent under the terms of this agreement.

Twentieth: That the Agent will keep proper books of Record and account in which full, true and correct entries will be made of all dealings or transactions of the Agent under the provisions of this contract and in relation to the subdivision, improvement and sale of said property. That the Owners or any person appointed by them may at all reasonable times inspect and examine all books, accounts, vouchers, documents and records of the Agent, respective or relating to any and all dealings or trans-

actions of the Agent under the provisions of this contract and the subdivision, improvement and sale of said property.

Twenty-first: That the Agent will, on or before the 15th day of each and every calendar month, prepare and deliver to the Owners, a full, true and correct statement, in itemized and detailed form, of all moneys collected and expended, of all sales made, commissions paid or due, of all liabilities incurred, and other transactions under the terms of this contract and in respect of the subdivision, improvement and sale of said property during the next preceding calendar month.

Twenty-second: That the Agent will, within six months from and after the date hereof, and thereafter within six months from and after the date of the last preceding audit, have a detailed examination and audit made of all books, records and accounts which it is required to keep hereunder, and of all dealings and transactions under the provisions of this contract and in relation to the subdivision, improvement and sale of said property, by a certified public accountant satisfactory to the Owners. A detailed statement and report of every such audit shall be delivered to the Owners immediately upon the completion of the same. [135]

Twenty-third: That the Owners shall, at their option, anything in this agreement contained to the contrary notwithstanding, have the right at any time, or from time to time, to change, modify, alter, terminate or annul any approved budget, or any one

or more items or matters contained in any approved budget, it being the intention of the parties hereto that the Agent shall at all times be subject to the direction and control of the Owners, and that the Agent shall act at all times strictly in accordance with the directions of said Owners insofar as said directions shall not conflict with the terms of this agreement.

Twenty-fourth: That the agency hereby created shall exist and continue for a period of two years from and after the date hereof, provided that the Owners may, at their option, renew and continue said agency for two successive additional periods of one year each.

Twenty-fifth: That the agent shall provide, without compensation except as herein otherwise expressly provided, the services of Edwin Janss and Harold Janss in connection with the direction, supervision and management of the subdivision, improvement and sale of said property, it being understood and agreed that said Edwin Janss and Harold Janss shall actively direct, supervise and manage the subdivision, improvement and sale of said property, and in the event the Agent shall fail, refuse or be unable to comply with the provisions of this Section for any reason or cause whatsoever, whether such reason or cause be beyond the control of the Agent or not, the Owners shall have the right, at their option, to terminate the agency hereby created on thirty (30) days' notice to the Agent.

Twenty-sixth: That the Owners shall pay to the Agent, upon demand, when and as incurred, the

actual cost to the Agent [136] of all clerical, book-keeping and auditing service actually and necessarily performed under this agreement, upon such terms and not to exceed such an amount as may be specified in any approved budget or any written instructions of the Owners.

Twenty-seventh: That the Agent shall be entitled to receive no compensation except as herein otherwise expressly provided:

Twenty-eighth: That the Agent shall hold the Owners harmless from any liability incurred by any act of the Agent which shall not have been specifically authorized or ratified by the Owners.

Twenty-ninth: That the term "Approved budget" or "approved budget of subdivision and improvement" or "approved sales Budget" shall be deemed to include any budget so designated which shall have been approved by the Owners, and any amendatory or supplemental budget so designated which shall have been so approved, and written instructions from the Owners, shall have the same force and effect hereunder as though the matters therein contained were incorporated in any approved budget. That the term "approved budget" shall, where not inconsistent with the context, be deemed to include any approved budget of subdivision and improvement and any approved sales budget.

Thirtieth: It is contemplated and intended by the parties hereto that said property shall be platted, subdivided improved and sold in separate units or parcels, and that the provisions of this contract, and

each section thereof, shall apply to and be operative in connection with each successive unit or parcel as the same may be platted, subdivided, improved and sold.

The boundaries and extent of each unit or parcel, the order in which said units shall be platted, subdivided, [137] improved and sold, and the time within which the Agent shall prepare and draft a map or subdivision plat of each such unit or parcel and submit said map or plat to the Owners for their approval, shall be determined by the Owners.

That the term "said property" shall apply to and include each unit or parcel thereof.

Thirty-first: It is understood that Charles H. Christie and Stanley S. Anderson as hereinbefore set forth are purchasing an undivided one-quarter interest each in the property covered by this agreement as set forth in that certain contract, dated September 1, 1923, by and between Janss Investment Company, therein designated as the "Seller" and Charles H. Christie and Stanley S. Anderson therein designated as the "Buyers", and it is understood and agreed that nothing contained in this contract shall be so construed as to be inconsistent with the terms and conditions of said agreement.

Thirty-second: It is further understood and agreed that the Janss Investment Company will, as between itself and Charles H. Christie and Stanley S. Anderson, pay and bear one-half of the expenses of subdividing and improving the property covered by this agreement and also its proportionate

share of other expenses required in the carrying out by the Agent of this agreement.

IN WITNESS WHEREOF, the Owners have hereunto signed their names, and the Agent has caused its corporate name and seal to be hereunto affixed by its officers thereunto duly [138] authorized, the day and year in this agreement first above written.

Charles H. Christie

(Signed) By Fred L. Porter

Attorney in Fact

(Signed) Stanley S. Anderson

Owners.

JANSS INVESTMENT COMPANY

(Signed) By Edwin Janss Vice President

(Signed) By Harold Janss Secretary

Owners.

JANSS REALTY & FINANCE COMPANY

(Signed) By Harold Janss President

(Signed) By Edwin Janss Secretary

Agents

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932. [139]

PETITIONER'S EXHIBIT 4.

Los Angeles, California.

November 7, 1923.

Mr. Charles H. Christie,
6101 Sunset Boulevard,
Hollywood, California.

In re: Agreement entered into between yourself, and the Janss Investment Company, —on the first day of September, 1923.

In said agreement, on page 5, it is provided that you erect, or cause to be erected, one or more motion picture studios on or before two years from September 1, 1923. Failure to erect said studios gives the Janss Investment Company the option to re-purchase a two-thirds interest in said property. Realizing that labor or financial conditions, or other conditions not within your control might arise to delay said construction, we agree to eliminate the two year period within which this studio or studios are to be erected, relying on your good faith in erecting this studio or studios as early as conditions will permit. We also hereby waive the option given to us in this contract to re-purchase a two-thirds interest in the property not permanently improved, relying solely upon your agreement to build such studio or studios as early as conditions will permit, as hereinabove stated.

You have reserved from these lands thirty-seven acres, more or less, as the film studio location. The balance of said lands you desire to subdivide and

have sold the Janss Investment Company a one-third interest therein and have entered into selling agreement with them to dispose of this property. It is specifically understood that, except in the particulars herein set forth, the agreement of September 1, 1923, is in no wise altered, modified or changed in any particulars whatsoever.

Furthermore, relative to the thirty-seven acres that you have reserved for studio purpose,—if you find that you do not [140] need all of this acreage and should desire to subdivide a portion of the same, you are at liberty to do so, providing that the same is not put on the market for a period of one year from September 1, 1923. The provision contained in this agreement above mentioned, requiring an impounding of any amounts realized from any such sale is hereby expressly waived.

This memorandum is given to you as part consideration for the sale to us of the third interest hereinabove mentioned.

JANSS INVESTMENT COMPANY

By

Vice President.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [141]

PETITIONER'S EXHIBIT 5.

Certified Copy Order No. 493

Book 3532 Page 398 of Official Records.

(U.S.I.R.S. \$115.50 Cancelled)

DEED

HOLMBY CORPORATION, a corporation organized under the laws of the State of California, with its principal place of business at Los Angeles, California, in consideration of Ten & No/100 Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby Grant to Janss Investment Company, a corporation, an undivided one-half interest in the real property in the City of Los Angeles, County of Los Angeles, State of California, described as:

All of Tract No. 7514 as per map recorded in Book 80 Pages 81 and 82 of Maps, in the office of the County Recorder of said County.

Also a parcel of land including a portion of Block 14 of the Rancho San Jose De Buenos Ayres, as per map recorded in Book 26 Pages 19 to 25 inclusive, Miscellaneous Records of said County; and a portion of Tract No. 7803, Sheets 1 to 5 inclusive, as per map recorded in Book 85 Pages 59 and 60 of Maps, and in Book 88 Pages 73 to 75 inclusive, of Maps, Records of said County, lying within the following described boundary:

Beginning at the intersection of the center line of Wilshire Boulevard with a line parallel with and distant North Easterly, 30 feet measured at right angles from the North Easterly line of Lots 10, 11 and 12 in Block 13 of said Rancho; thence North

Easterly along said center line of Wilshire Boulevard to the North Westerly prolongation of the North Easterly line of the first alley North Easterly of Westwood Boulevard, as shown on said map of Tract No. 7803, sheet 2; thence South $35^{\circ} 40'41''$ East, 607.15 feet to the Northerly line of said Tract No. 7803; thence North $72^{\circ}04'08''$ East, 629.64 feet to the most Easterly corner of Lot 1, Block 18 of said Rancho; thence parallel with 100th Avenue, south $35^{\circ} 38' 20''$ East to a line parallel with and North Westerly, 1875.01 feet measured at right angles from the most Northerly line of Santa Monica Boulevard, as shown on Map of Tract No. 5609, recorded in Book 60 [142] Pages 34, 35, and 36 of Maps, in the office of the County Recorder of said County; thence South $71^{\circ} 33' 20''$ West along said last mentioned parallel line to the parallel line first above described; thence North Westerly along said parallel line to the point of beginning.

This conveyance is made, however, upon the following conditions and restrictions, which shall run with all of said land, shall operate as conditions subsequent, and shall apply to and bind the grantee its successors, personal representatives and assigns and all other persons acquiring any interest in said land, either by operation of law or in any manner whatsoever, namely:

(1) That all that part of said land lying within 150 feet of Wilshire Boulevard shall be used only for residence purposes, including hotels, apartment houses, flats and duplex houses, at all times prior to January 1st, 1949.

(2) That no building which is to be used for residence purposes, shall ever be erected or permitted on any part of said land, which shall cost and be reasonably worth less than \$3,000.00 at any time prior to January 1st, 1949.

(3) That no building which is to be used for business purposes, shall ever be erected or permitted on any part of said land which shall cost and be reasonably worth less than \$3500.00, at any time prior to January 1st, 1949.

(4) That no part of said land shall ever be leased, rented, sold or conveyed to any person who is not of the White or Caucasian race, or be used or occupied by any person who is not of the White or Caucasian race, but this restriction is not intended to, nor shall it prevent persons legally in possession of any part of said land from employing persons of other than said white or Caucasian race, and providing living quarters for such employees on said land.

(5) That no oil or gas well shall ever be drilled or constructed on any part of said land. [143]

State of California,
County of Los Angeles—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 3532 of Official Records Page 398, Records of Los Angeles County, and that I have carefully compared the same with the original record.

IN WITNESS WHEREOF, I have hereunto set

my hand and affixed my Official Seal, this 10 day of June, 1932.

[Seal]

C. L. LOGAN, County Recorder
By I. Cady, Deputy (9) [144]

SUBJECT to easements for street purposes over Wilshire Boulevard, and all streets shown on map of said Tract No. 7803, lying within the above described boundaries.

SUBJECT also to easement and right of way given to the City of Los Angeles by the Pacific-Southwest Trust & Savings Bank and the Holmby Corporation, recorded in Book 2410 Page 163 Official Records, and in Book 2462 Page 127, Official Records.

SUBJECT ALSO to Taxes for the fiscal year 1924-1925.

TO HAVE AND TO HOLD to said grantee, its successors or assigns, forever.

IN WITNESS WHEREOF, said Corporation has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its President and Secretary thereunto duly authorized, this 5th day of November, 1924.

[Corporate Seal] HOLMBY CORPORATION
By Malcolm McNaghten, Secretary.

State of California,
County of Los Angeles—ss.

On this 2nd day of December, 1924, before me, Wm. J. Walters, a Notary Public in and for said County, personally appeared Malcolm McNaghten, known to me to be the Secretary of the HOLMBY

CORPORATION, the corporation that executed the within and foregoing instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

[Notarial Seal] WM. J. WALTERS,

Notary Public in and for said County and State.

#46. Copy of original recorded at request of Title Insurance & Tr. Co. Dec. 17, 1924, at 8:30 A.M. Copyist #16. Compared.

[Seal] C. L. LOGAN, County Recorder,
by E. B. Whaley, Deputy.

[Endorsed]: United States Board of Tax Appeals. Admitted in Evidence Jun 14, 1932. [145]

PETITIONER'S EXHIBIT 6.

Certified Copy Order No. 490

Book 2867 Page 210 of Official Records.

U.S.I.R.S. \$138.50 Affixed and Cancelled.

GRANT DEED (Code)

Corporation.

Holmby Corporation, a Corporation duly organized and existing under and by virtue of the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, and State of California. For and in Consideration of the Sum of Ten and No/100 (\$10.00) Dollars, the receipt whereof is hereby ac-

known, does hereby Grant to Charles H. Christie, a single man, an undivided one-quarter ($\frac{1}{4}$) interest, and Stanley S. Anderson, an undivided One-quarter ($\frac{1}{4}$) interest, in all that real property, situated in the County of Los Angeles, State of California, described as follows, to-wit: Parcel #1: That portion of the subdivision of the Rancho San Jose De Buenos Ayres, as per map recorded in Book 26, Pages 19 to 25, Miscellaneous records of said County, described as follows:

Beginning at the intersection of the center line of 100th Avenue, (formerly Military Avenue) with the Westerly prolongation of the Northerly line of the Pacific Electric Railway right of way, as shown on map of Tract No. 5609, recorded in Book 76, Pages 68 to 71 inclusive, of Maps, in the office of the County Recorder of said County; thence along the center line of 100th Avenue North $35^{\circ} 38' 20''$ West 2015.07 feet; thence parallel with Santa Monica Boulevard North $71^{\circ} 33' 20''$ East 1003.87 feet; thence parallel with 100th Avenue South $35^{\circ} 38' 20''$ East 2015.07 feet to the Northerly line of said right of way; thence Westerly 1003.87 feet along said Northerly line of said right of way to the point of beginning.

Parcel #2: That portion of said subdivision of the Rancho San Jose de Buenos Ayres, in said City, described as follows: [146]

Beginning at the intersection of the center line of Wilshire Boulevard with a line parallel with and distant Northeasterly 30 feet measured at right angles from the Northeasterly line of Lots 10, 11 and

12, in Block 13, of said Rancho; thence Northeasterly along said center line of Wilshire Boulevard to a line parallel with and distant Southwesterly 30 feet measured at right angles from the Southwesterly line of Lot 1, in Block 18, of said Rancho; thence Southeasterly along said last mentioned parallel line to the Northwesterly prolongation of the Southeasterly line of said Lot 1; thence Northeasterly along said prolongation and Southeasterly line of said Lot 1 to the most Easterly corner of said Lot 1; thence parallel with 100th Avenue South $35^{\circ} 38' 20''$ East to a line parallel with and North westerly 1875.01 feet, measured at right angles from the most Northernly line of Santa Monica Boulevard, as shown on map of said Tract No. 5609; thence South $71^{\circ} 33' 20''$ West along said last mentioned parallel line to the parallel line first above described; thence Northwesterly along said parallel line to the point of beginning.

This conveyance is made, however, upon the following conditions and restrictions, which shall run with all of said land, except that portion thereof hereinafter particularly described, shall operate as conditions subsequent, and shall apply to and bind the grantee or grantees, their heirs, personal representatives and assigns and all other persons acquiring any interest in said land, either by operation of law or in any manner whatsoever, namely:

(1) That all that part of said land lying within One Hundred and Fifty (150) feet of Wilshire Boulevard shall be used only for residence purposes,

including hotels, apartment houses, flats and duplex houses, at all times prior to January 1st, 1949.

(2) That no building which is to be used for residence purposes, shall ever be erected or permitted on any part of said land, [147] which shall cost and be reasonably worth less than Three Thousand Dollars (\$3,000.00) at any time prior to January 1st, 1949.

(3) That no building which is to be used for business purposes, shall ever be erected or permitted on any part of said land, which shall cost and be reasonably worth less than Three Thousand Five Hundred Dollars (\$3500.00), at any time prior to January 1st, 1949.

(4) That no part of said land shall ever be leased, rented, sold or conveyed to any person who is not of the White or Caucasian race, nor be used or occupied by any person who is not of the White or Caucasian race, but this restriction is not intended to, nor shall it prevent persons legally in possession of any part of said land from employing persons of other than said White or Caucasian race, and providing living quarters for such employees on said land.

(5) That no oil or gas well shall ever be drilled or constructed on any part of said land. The foregoing conditions and restrictions shall not apply to that portion of the land hereby conveyed which is described as follows, to-wit:

That portion of the Subdivision of the Rancho San Jose de Buenos Ayres, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 26, Pages 19 to 25 in-

clusive, Miscellaneous records of said County, described as follows:

Beginning at a point in the center line of 100th Avenue (formerly Military Avenue) 375.49 feet distant thereon Northwesterly from the Southwesterly prolongation of the Northwesterly line of Tract No. 7514, Sheets 1 and 2, recorded in Book 80, Pages 81 and 82 of Maps, in the office of the County recorder of said County, thence North $71^{\circ} 33' 20''$ East 1003.87 feet; thence South $35^{\circ} 38' 20''$ East 78.73 feet; thence South $54^{\circ} 21' 40''$ West along the said Northwesterly line of Tract No. 7514, 959 feet; thence North $35^{\circ} 38' 20''$ West along said center line of 100th Avenue, 375.49 feet to the point of beginning. [148]

State of California,
County of Los Angeles.—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 2867 of Official Records, Page 210, Records of Los Angeles County, and that I have carefully compared the same with the original record.

In Witness Whereof, I have hereunto set my hand and affixed my Official Seal, this 10 day of June, 1932.

[Seal]

C. L. LOGAN,

By M. Haines (92)

Deputy. [149]

Subject to an easement for street purposes over that portion included within the lines of Santa Monica Boulevard.

Subject also to easement and right of way given to the City of Los Angeles, by the Pacific-Southwest Trust & Savings Bank and the Holmby Corporation, recorded in Book 2410 Page 163 Official records and in Book 2462, Page 127, Official Records.

Subject also to taxes for the fiscal year 1923-1924.

Subject also to easements for street purposes over those portions included within the lines of Wilshire Boulevard and 100th Avenue.

In Witness Whereof, The said party of the first part has caused its corporate name and seal to be affixed by Secretary thereunto, duly authorized this 1st day of September, Nineteen Hundred and Twenty-three.

[Corporate Seal] HOLMBY CORPORATION.

By Malcom McNaghten,
Secretary.

State of California,
County of Los Angeles.—ss.

On this 12th day of December, A. D. 1923, before me, P. H. Cary, a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared Malcolm McNaghten, known to me to be the Secretary of the Holmby Corporation, the Corporation that executed the within Instrument, known to me to be the person who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same. In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this

certificate first above written.

[Notarial Seal] P. H. CARY,
Notary Public in and for said County, State of
California.

#367 Copy of original recorded at request of
Title Insurance & Tr. Co. Dec. 20, 1923 at 8:30
A. M. Copyist #163 Compared,

[Seal] C. L. Logan, County Recorder,
By M. G. Nelson, Deputy.

[Endorsed]: United States Board of Tax Ap-
peals. Admitted in evidence Jun. 14, 1932. [150]

PETITIONER'S EXHIBIT 7.

Release of Mortgage
Corporation

Janss Investment Company to Stanley S. Anderson,
et ux.

Dated September 28, 1926.

Title Insurance and Trust Company,
Title Insurance Building,
Los Angeles, California.
Order No. 1755

When recorded please return this instrument to
same.

Compared. Document, Jensen. Book, Lloyd.

[Endorsed]: Recorded Sep 29 1926 9 Min. past
2 P. M. in Book 6034 at Page 264 of Official Records,
Los Angeles County, Cal.

Recorded at request of Mortgagor.

C. L. Logan, County Recorder

I certify that I have correctly transcribed this
document in above mentioned book.

I. Mann #133

Copyist County Recorder's Office, L. A. County,
Cal. [151]

RELEASE

In Consideration of payment of the debt thereby secured, JANS S INVESTMENT COMPANY a corporation, hereby releases the mortgage dated September 1, 1923, given by Stanley S. Anderson and Marguerite S. Anderson, his wife to Holmby Corporation, a corporation, recorded in Book 3599, Page 27, of Official Records, in the office of the County Recorder of Los Angeles County, California.

In Witness Whereof, said corporation has caused this release to be executed, and its corporate name and seal to be affixed by its duly authorized officers this 28th day of September 1926.

[Seal] JANS S INVESTMENT COMPANY
By Edwin Janss, Vice-President
By Charles D. Hayes, Ass't. Secretary.

State of California,
County of Los Angeles.—ss.

On this 28 day of September 1926, before me, Florence B. Adams a Notary Public in and for said County, personally appeared Edwin Janss known to me to be the Vice President, and Chas. D. Hayes known to me to be the Assistant Secretary of Janss Investment Company the corporation that executed the foregoing instrument, known to me to be the persons who executed said instrument on behalf of the corporation therein named, and acknowledged

to me that such corporation executed the same.

Witness my hand and official seal.

[Seal] FLORENCE B. ADAMS,
Notary Public in and for said County of Los
Angeles, State of California. [152]

Mortgage
Individual

Dated....., 192.....

Title Insurance and Trust Company,
Title Insurance Building,
Los Angeles, California

\$62,020.00

Stanley S. Anderson, and his wife, Marguerite S.
Anderson, to Holmby Corporation.

369 Order No. 706651

When recorded please mail to S. F. McFarlance,
815 Block Bldg L A

Compared. Document, Doyle. Book, Schulz.

[Endorsed]: Recorded at request of Title In-
surance & Tr. Co. Dec 20 1923 at 8:30 A. M. in
Book 3599 Page 27 of Official Records, Los Angeles
County, Cal.

C. L. Logan, County Recorder

I certify that I have correctly transcribed this
document in above mentioned book.

Julia Lee #169

Copyist County Recorder's Office. L. A. Co.,
Cal.

State of California,
County of Los Angeles.—ss.

On this first day of September, 1923, before me, Laura E. Hottinger, a Notary Public in and for said County, personally appeared Stanley S. Anderson, and his wife, Marguerite S. Anderson, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

[Seal] LAURA E. HOTTINGER,
Notary Public in and for the County of Los Angeles,
State of California. [153]

— — — — —

THIS MORTGAGE, Made September first, 1923,
By Stanley S. Anderson and his wife, Marguerite S. Anderson, hereinafter called Mortgagor, to Holmby Corporation, a corporation, hereinafter called Mortgagee,

Witnesseth: That Mortgagor hereby mortgages to Mortgagee an undivided one-quarter ($\frac{1}{4}$) interest in the real property in the City of Los Angeles, County of Los Angeles, State of California, described as that portion of the subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in book 26, pages 19 to 25, Miscellaneous Records of said County, described as follows:
Parcel No. 1—

Beginning at the intersection of the center line of 100th Avenue, (formerly Military Avenue) with the westerly prolongation of the northerly line of

the Pacific Electric Railway right of way, as shown on map of tract No. 5609 recorded in book 76, pages 68 to 71 inclusive of maps, in the office of the County Recorder of said County; thence along the center line of 100th Avenue north $35^{\circ} 38' 20''$ west 2015.07 feet; thence parallel with Santa Monica Boulevard north $71^{\circ} 33' 20''$ east 1003.87 feet; thence parallel with 100th Avenue south $35^{\circ} 38' 20''$ east 2015.07 feet to the northerly line of said right of way; thence westerly 1003.87 feet along said northerly line of said right of way to the point of beginning.

Parcel No. 2—

That portion of said subdivision of the Rancho San Jose de Buenos Ayres, in said city, described as follows:

Beginning at the intersection of the center line of Wilshire Boulevard with a line parallel with and distant northeasterly 30 feet measured at right angles from the northeasterly line of lots 10, 11 and 12 in block 13 of said Rancho; thence northeasterly along said center line of Wilshire Boulevard to a line parallel with and distant southwesterly 30 feet measured at right angles from the southwesterly line of lot 1 in block 18 of said Rancho; thence southeasterly along said last mentioned parallel line to the northwesterly prolongation of the southeasterly line of said lot 1; thence northeasterly along said prolongation and southeasterly line of said lot 1 to the most easterly corner of said lot 1; thence parallel with 100th Avenue south $35^{\circ} 38' 20''$ east to a line parallel with and northwesterly 1875.01 feet, measured at right angles from the most north-

erly line of Santa Monica Boulevard, as shown on map of said tract No. 5609; thence south $71^{\circ} 33' 20''$ west along said last mentioned parallel line to the parallel line first above described; thence northwesterly along said parallel line to the point of beginning, including all buildings and improvements thereon (or that may hereafter be erected thereon); together with all and singular the tenements, hereditaments and appurtenances, water and water rights, pipes, flumes, ditches and other rights thereunto belonging or in any wise now or hereafter appertaining thereto, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof. [154] For the purpose of securing

First: Payment of the indebtedness evidenced by one promissory note (and any renewal or extension thereof) in form as follows:

\$62,020.00

Los Angeles, California, September first, 1923.

On or before three years, after date, for value received, we, or either of us, promise to pay to Holmby Corporation, a corporation, or order, at Los Angeles, California, the sum of Sixty Two Thousand and Twenty and no/100 Dollars, with interest thereon from date, until paid, at the rate of seven per cent. per annum, payable semi-annually. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest therewith. Should default be made in payment of interest when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and in-

terest payable in United States gold coin. This note is secured by a mortgage upon real property.

Stanley S. Anderson.

Marguerite S. Anderson.

U. S. I. R. S. \$12.42

Cancelled.

Second: Payment of attorney's fees, in a reasonable sum to be fixed by the Court and all costs and expenses in any action brought to foreclose this mortgage or in any action or proceeding affecting the rights either of Mortgagor or Mortgagee in said real property, whether such action or proceeding progress to judgment or not; also such sums as Mortgagee may pay for examination of title to, or for surveying, the mortgaged property, all of which sums, including said attorney's fees, Mortgagor agrees to pay, and the same are hereby declared a lien upon said property and are secured hereby.

Third: Performance of every obligation, covenant, promise or agreement herein contained, direct or conditional, and repayment as herein provided of all sums advanced or expended by Mortgagee under the terms hereof.

A. 1. Mortgagor agrees to pay, when due, all taxes, assessments and incumbrances, which are or appear to be liens upon said property or any part thereof, including taxes, if any, levied under the law of said State, upon this mortgage or the debt secured hereby, and hereby waives all right to treat payment of such taxes as a payment on such debt or as being to any extent a discharge thereof; Mortgagor also agrees to keep said buildings insured against fire,

to the amount required by, and in insurance companies satisfactory to Mortgagee, and to assign the policies therefor to Mortgagee; and promptly to pay and settle (or cause to be removed by suit or otherwise) all adverse claims against said property.

2. In case said taxes, assessments, or incumbrances so agreed to be paid by Mortgagor be not so paid, or said buildings so insured and said policies so assigned, or said adverse claims so paid, settled or removed, then Mortgagee, being hereby made sole judge of the legality thereof, may, without notice to Mortgagor, pay such taxes, assessments or incumbrances, obtain such policies of insurance and pay or settle or cause to be removed by suit or otherwise all such adverse claims.

3. In the event of loss under said policies of fire insurance, the amount collected thereon shall be credited first to interest then due upon said indebtedness, next upon any any advances secured hereby and the remainder, if any, may, at the option of Mortgagee, be applied and credited upon principal, in which case interest shall thereupon cease on the amount so credited on principal; or at the option of Mortgagee, said remainder may be released to Mortgagor for the purpose of making repairs or improvements upon said property, in which case Mortgagee shall not be obliged to see to the application of the sum so released, nor shall said remainder be deemed a payment of any indebtedness secured hereby.

B. Mortgagor agrees to keep said property in good condition and repair and to permit no waste

thereof, and should said property, or any part thereof, require any inspection, repair, cultivation, irrigation, protection, care or attention of any kind or nature not provided by Mortgagor, then Mortgagee, being hereby made sole judge of the necessity therefor, may, without notice to Mortgagor, enter, or cause entry to be made upon said property, and inspect, repair, cultivate, irrigate, fertilize, fumigate, protect, care for, or maintain said property as Mortgagee may deem necessary. All sums expended by Mortgagee in doing any of the things in this mortgage authorized are secured hereby and shall be paid to Mortgagee by Mortgagor in said gold coin, on demand, with interest from date of expenditure at the rate named in the promissory note secured hereby. [155]

C. In consideration of the indebtedness evidenced by said promissory note, Mortgagor waives all right either to apply for, or to procure, registration of said property or any part thereof under the provisions of the "Land Title Law," and hereby agrees:

1. That to bring said property or any part thereof under the operation of said law would impair the security of this obligation;

2. That Mortgagor will not cause or permit any part of said property to be brought under the operation of said law;

3. That if, at any time, the owner of any part of said property shall file a petition for registration, or if any part of said property be registered under the provisions of said law, filing such petition for

registration, or such registration shall each constitute a default in performance of the covenants and agreements herein contained on the part of Mortgagor, and the whole sum of money secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and Mortgagee may proceed to foreclose this mortgage in accordance with its terms.

D. The maker thereof promises to pay said promissory note according to its terms and conditions, and in case of default in payment of principal or interest, when due, or in payment of any other money herein agreed to be paid, or in performance of any covenant or agreement herein contained on the part of Mortgagor, the whole sum of money then secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and this mortgage may thereupon, or at any time during such default, be foreclosed, and filing of a complaint in foreclosure shall be conclusive notice of the due exercise of such option.

E. In the event of foreclosure, the decree may provide that the property therein described be ordered sold en masse, or in separate parcels, at the option of plaintiff in such action.

F. It is hereby agreed, as part of the security of Mortgagee, that if default should be made in payment of the principal of said promissory note, or in payment of any interest thereon when due, or in any other payment in this mortgage provided, or in any

covenant or agreement herein provided to be performed by Mortgagor, then, and in each such case Mortgagee, without limitation or restriction by any present or future law, shall have the absolute right, upon commencement of any judicial proceeding to enforce any right under this mortgage, including foreclosure thereof, to appointment of a receiver of the property hereby mortgaged and of the revenues, rents, profits and other income thereof, and that said receiver shall have (in addition to such other powers as the court making such appointment may confer), full power to collect all such income and after paying all necessary expenses of such receivership and of operation, maintenance and repair of said property, to apply the balance to payment of any sums then due hereunder.

G. Mortgagor agrees that Mortgagee may at any time, without notice, and without affecting the personal liability of any person for payment of indebtedness hereby secured, or the lien of this mortgage upon the remainder of the mortgaged property for the unpaid portion of said indebtedness, release any part of said mortgaged property from the lien of this mortgage.

H. Every covenant, stipulation, promise and agreement herein shall bind and inure to the benefit of Mortgagor and Mortgagee and their respective successors in interest.

I. In this mortgage, whenever the context so requires, the masculine gender includes the feminine, the singular number includes the plural, and the

words "Promissory Note" include all promissory notes or other evidences of indebtedness secured hereby.

The mortgagee agrees, from time to time, on demand of the mortgagors, to release from the lien of this mortgage all or any part of the mortgaged property upon payment being made by the mortgagors on account of the principal sum secured by this mortgage, at the rate of \$1250.00 per acre for each acre or part of an acre so released together with all accrued interest upon the sums so paid to date of payment. For example; Having in mind the fact that this mortgage covers only an undivided one-quarter interest in the lands above described; should the mortgagors desire to release a particular five acre piece, the total sum required to release such five acre piece from the lien of this mortgage on the undivided one-quarter interest in such five acre piece would be five times \$1250.00 or \$6250.00. All releases to be made at the expense of the mortgagors.

Witness: the hand and seal of Mortgagor.

(Seal)

Stanley S. Anderson.

Marguerite S. Anderson.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932. [156]

PETITIONER'S EXHIBIT 8.

Certified Copy Order No. 491

Book 2880 Page 266 of Official Records.

GRANT DEED.

(Code) Corporation.

Original

\$236.00 U.S.I.R.S. affixed and cancelled.

Holmby Corporation, a Corporation duly organized and existing under and by virtue of the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, and State of California, For and in Consideration of the Sum of Ten and no/100 Dollars, the receipt whereof is hereby acknowledged, does hereby Grant to Charles H. Christie, a single man, all that real property situated in the County of Los Angeles, State of California, described as follows, to-wit:

That portion of the Sub-division of the Rancho San Jose de Buenos Ayres, as per map recorded in Book 26, Pages 19 to 25, inclusive, Miscellaneous Records of said County, described as follows:—

Beginning at a point in the northwesterly line of the Pacific Electric Railway right of way, as shown on map of Tract #5609, recorded in Book 76, Pages 68 to 71 inclusive, of Maps in the office of the County Recorder of said County; distant 1003.87 feet northeasterly measured along said north-westerly line from the center line of 100th Avenue; thence parallel with the center line of 100th Avenue north 35°38'20" west 2015.07 feet to a line parallel

with said right of way line and 1925.01 feet northwesterly, measured at right angle therefrom; thence along said last mentioned parallel line north $71^{\circ} 33'20''$ east to a line parallel with the center line of 100th Avenue and which passes through the most easterly corner of Lot 1, in Block 18, of said Rancho; thence along said last mentioned parallel line south $35^{\circ}38'20''$ east to the northwesterly line of the Pacific Electric Railway right of way; thence southwesterly along said northwesterly line to the point of beginning. [157]

This conveyance is made, however, upon the following conditions and restrictions, which shall run with said land, shall operate as conditions subsequent, and shall apply to and bind the grantee or grantees, their heirs, personal representatives and assigns, and all other persons acquiring any interest in said land, either by operation of law or in any manner whatsoever, namely:—

(1)—That no film studio sets or temporary structures of any kind or nature shall be permitted on any part of said land within one hundred and fifty (150) feet of Santa Monica Boulevard at any time prior to January 1st, 1949.

(2)—That no building which is to be used for residence purposes, shall ever be erected or permitted on any part of said land, which shall cost and be reasonably worth less than Three Thousand Dollars (\$3000.00), at any time prior to January 1st, 1949.

(3)—That no building which is to be used for

business purposes, other than temporary film studio structures, shall ever be erected or permitted on any part of said land, which shall cost and be reasonably worth less than Three Thousand Five Hundred Dollars (\$3500.00), at any time prior to January 1st, 1949.

(4)—That no part of said land shall ever be leased, rented, sold or conveyed to any person who is not of the White or Caucasian race, nor be used or occupied by any person who is not of the White or Caucasian race, but this restriction is not intended to, nor shall it prevent persons legally in possession of any part of said land from employing persons of other than said White or Caucasian race, and providing living quarters for such employees on said land. [158]

(5)—That no oil or gas well shall ever be drilled or constructed on any part of said land.

Subject to an easement for street purposes over that portion included within the lines of Santa Monica Boulevard.

Subject Also to easement and right of way given to the City of Los Angeles, by the Pacific-Southwest Trust & Savings Bank and the Holmby Corporation, recorded in Book 2410, Page 163, Official Records, and in Book 2462, Page 127, Official Records.

Subject also to taxes for the fiscal year 1923-24.

In Witness Whereof, The said party of the first part has caused its corporate name and seal to be affixed by its Secretary thereunto, duly authorized

this 1st day of September, nineteen hundred and twenty-three.

[Corporate Seal] HOLMBY CORPORATION.
By Malcolm McNaghten, Secretary.

State of California,
County of Los Angeles—ss.

On this 12th day of December, A.D. 1923, before me P. H. Cary, a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared Malcolm McNaghten known to me to be the Secretary of the Holmby Corporation, the Corporation that executed the within Instrument, known to me to be the person who executed the within Instrument, on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Notarial Seal] P. H. CARY,
Notary Public in and for said County, State of
California.

#388 Copy of original recorded at request of
Title Insurance & Tr. Co., Dec. 20, 1923 at 8:30
A. M. Copyist # 113 — Compared, — [Seal] C. L.
Logan, County Recorder—By C. C. Lloyd, Deputy.
[159]

State of California,
County of Los Angeles—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 2880 of Official Records Page 266, Records of Los Angeles County, and that I have carefully compared the same with the original record.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, this 10 day of June, 1932.

[Seal] C. L. LOGAN, County Recorder.
 By M. Haines (92) Deputy.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [160]

PETITIONER'S EXHIBIT 9.

Certified Copy Order No. 495

Book 3386 Page 83 of Official Records.

THIS MORTGAGE, Made September 1st, 1923, By Charles H. Christie, a single man, hereinafter called Mortgagor, To Holmby Corporation, a corporation, hereinafter called Mortgagee, Witnesseth: That Mortgagor hereby mortgages to Mortgagee the real property in the City of Los Angeles, County of Los Angeles, State of California, described as that portion of the subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in book 26, pages 19 to 25 inclusive, Miscellaneous Records of said County, described as follows:

Beginning at a point in the Northwesterly line of the Pacific Electric Railway right of way, as shown on map of Tract #5609, recorded in Book 76, pages 68 to 71 inclusive of maps, in the office of the County Recorder of said County; distant 1003.87 feet Northeasterly measured along said Northwesterly line from the center line of 100th Avenue; thence parallel with the center line of 100th Avenue North $35^{\circ}38'20''$ West 2015.07 feet to a line parallel with said right of way line and 1925.01 feet Northwesterly measured at right angles therefrom; thence along said last mentioned parallel line North $71^{\circ}33'20''$ East to a line parallel with the center line of 100th Avenue and which passes through the most Easterly corner of Lot 1 in Block 18 of said Rancho; thence along said last mentioned parallel line South $35^{\circ}38'20''$ East to the Northwesterly line of the Pacific Electric Railway right of way; thence Southwesterly along said Northwesterly line to the point of beginning. (Subject to an easement for street purposes over that portion included within the lines of Santa Monica Boulevard.) Including all buildings and improvements thereon (or that may hereafter be erected thereon); together with all and singular the [161] tenements, hereditaments and appurtenances, water and water rights, pipes, flumes, ditches and other rights thereunto belonging or in any wise now or hereafter appertaining thereto, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof. For the purpose of securing First: Pay-

ment of the indebtedness evidenced by One Promissory note (and any renewal or extension thereof) in form as follows:

\$207,250.00

Los Angeles, California,
September 1st, 1923.

On or before Three Years after date, for value received, I promise to pay to Holmby Corporation, a corporation, or order, at Los Angeles, California, the sum of Two hundred Seven Thousand two Hundred Fifty and no/100 dollars, with interest thereon from date until paid, at the rate of Seven per cent. per annum, payable Semi-annually. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest therewith. Should default be made in payment of interest when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and interest payable in United States gold coin. This note is secured by a mortgage upon real property.

Charles H. Christie

U.S.I.R.S. \$41.46 Cancelled.

Second: Payment of attorney's fees, in a reasonable sum to be fixed by the Court and all costs and expenses in any action brought to foreclose this mortgage or in any action or proceeding affecting the rights either of Mortgagor or Mortgagee in said real property, whether such action or proceeding progress to judgment or not; also such sums as Mortgagee may pay for examination of title to, or for surveying, the mortgaged property, all of which sums, including said attorney's fees,

Mortgagor [162] agrees to pay, and the same are hereby declared a lien upon said property and are secured hereby.

Third: Performance of every obligation, covenant, promise or agreement herein contained, direct or conditional, and repayment as herein provided of all sums advanced or expended by Mortgagee under the terms hereof.

A. 1. Mortgagor agrees to pay, when due, all taxes, assessments and incumbrances, which are or appear to be liens upon said property or any part thereof, including taxes, if any levied under the law of said State, upon this mortgage or the debt secured hereby, and hereby waives all right to treat payment of such taxes as a payment on such debt or as being to any extent a discharge thereof; Mortgagor also agrees to keep said buildings insured against fire, to the amount required by, and in insurance companies satisfactory to Mortgagee, and to assign the policies therefor to Mortgagee; and promptly to pay and settle (or cause to be removed by suit or otherwise) all adverse claims against said property.

2. In case said taxes, assessments or incumbrances so agreed to be paid by Mortgagor be not so paid, or said buildings so insured and said policies so assigned, or said adverse claims so paid, settled or removed, then Mortgagee, being hereby made sole judge of the legality thereof, may, without notice to Mortgagor, pay such taxes, assessments or incumbrances, obtain such policies of insurance

and pay or settle or cause to be removed by suit or otherwise all such adverse claims.

3. In the event of loss under said policies of fire insurance, the amount collected thereon shall be credited first to interest then due upon said indebtedness, next upon any advances secured hereby and the remainder, if any, may, at the option of Mortgagee, be applied and credited upon principal, in which case interest shall thereupon cease on the amount so credited on principal; or at the option of Mortgagee, said remainder may be released to [163] Mortgagor for the purpose of making repairs or improvements upon said property, in which case Mortgagee shall not be obliged to see to the application of the sum so released, nor shall said remainder be deemed a payment of any indebtedness secured hereby.

B. Mortgagor agrees to keep said property in good condition and repair and to permit no waste thereof, and should said property, or any part thereof, require any inspection, repair, cultivation, irrigation, protection, care or attention of any kind or nature not provided by Mortgagor, then Mortgagee, being hereby made sole judge of the necessity therefor, may, without notice to Mortgagor, enter, or cause entry to be made upon said property, and inspect, repair, cultivate, irrigate, fertilize, fumigate, protect, care for, or maintain said property as Mortgagee may deem necessary. All sums expended by Mortgagee in doing any of the things in this mortgage authorized are secured hereby and

shall be paid to Mortgagee by Mortgagor in said gold coin, on demand, with interest from date of expenditure at the rate named in the promissory note secured hereby.

C. In consideration of the indebtedness evidenced by said promissory note, Mortgagor waives all right either to apply for, or to procure, registration of said property or any part thereof under the provisions of the "Land Title Law," and hereby agrees:

1. That to bring said property or any part thereof under the operation of said law would impair the security of this obligation;

2. That Mortgagor will not cause or permit any part of said property to be brought under the operation of said law;

3. That if at any time, the owner of any part of said property shall file a petition for registration, or if any part [164] of said property be registered under the provisions of said law, filing such petition for registration, or such registration shall each constitute a default in performance of the covenants and agreements herein contained on the part of Mortgagor, and the whole sum of money secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and Mortgagee may proceed to foreclose this mortgage in accordance with its terms.

D. The maker thereof promises to pay said promissory note according to its terms and conditions, and in case of default in payment of prin-

principal or interest, when due, or in payment of any other money herein agreed to be paid, or in performance of any covenant or agreement herein contained on the part of Mortgagor, the whole sum of money then secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and this mortgage may thereupon, or at any time during such default, be foreclosed, and filing of a complaint in foreclosure shall be conclusive notice of the due exercise of such option.

E. In the event of foreclosure, the decree may provide that the property therein described be ordered sold en masse, or in separate parcels, at the option of plaintiff in such action.

F. It is hereby agreed, as part of the security of Mortgagee, that if default should be made in payment of the principal of said promissory note, or in payment of any interest thereon when due, or in any other payment in this mortgage provided, or in any covenant or agreement herein provided to be performed by Mortgagor, then, and in each such case Mortgagee, without limitation or restriction by [165] any present or future law, shall have the absolute right, upon commencement of any judicial proceeding to enforce any right under this mortgage, including foreclosure thereof, to appointment of a receiver of the property hereby mortgaged and of the revenues, rents, profits and other income thereof, and that said receiver shall have (in addition to such other powers as the court

making such appointment may confer), full power to collect all such income and after paying all necessary expenses of such receivership and of operation, maintenance and repair of said property, to apply the balance to payment of any sums then due hereunder.

G. Mortgagor agrees that Mortgagee may at any time, without notice, and without affecting the personal liability of any person for payment of indebtedness hereby secured, or the lien of this mortgage upon the remainder of the mortgaged property for the unpaid portion of said indebtedness, release any part of said mortgaged property from the lien of this mortgage.

H. Every covenant, stipulation, promise and agreement herein shall bind and inure to the benefit of Mortgagor and Mortgagee and their respective successors in interest.

I. In this mortgage, whenever the context so requires, the masculine gender includes the feminine, the singular number includes the plural, and the words "Promissory Note" include all promissory notes or other evidences of indebtedness secured hereby.

The Mortgagee agrees, from time to time, on demand of the Mortgagors, to release from the lien of this Mortgage all or any part of the Mortgaged property upon payment being made by the Mortgagors on account of the principal sum secured by this Mortgage, at the rate of \$5000.00 per acre for each acre or part of an acre so released together

with all accrued interest upon the sums [166] so paid to date of payment.

Witness: the hand and seal of Mortgagor.

CHARLES H. CHRISTIE

State of California,
County of Los Angeles—ss.

On this 27th day of October, 1923, before me, Claude Hill, a Notary Public in and for said County, personally appeared Charles H. Christie, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

Witness my hand and official seal.

[Notarial Seal]

CLAUDE HILL,

Notary Public in and for the County of Los Angeles, State of California.

My Com. Expires May 22nd, 1924.

#389. Copy of original recorded at request of Title Insurance & Tr. Co. Dec 20 1923 at 8:30 A.M. Copyist #168. Compared. C. L. Logan, County Recorder, By I. Taber, Deputy. [167]

State of California,
County of Los Angeles—ss.

I hereby certify the foregoing to be a full, true and correct copy without Release and Assignment Stamps of the instrument appearing recorded in Book No. 3386 of Official Records Page 83, Records of Los Angeles County, and that I have carefully compared the same with the original record.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, this 10 day of June, 1932.

[Seal] C. L. LOGAN, County Recorder.
By F. B. Embree (34) Deputy.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [168]

PETITIONER'S EXHIBIT 10.

Certified Copy Order No. 473
Book 5146—Page 368 of Official Records

GRANT DEED

CHARLES H. CHRISTIE, a single man, in consideration of Ten Dollars, to him in hand paid, receipt of which is hereby acknowledged, does hereby Grant to STANLEY S. ANDERSON, a married man, an undivided Two-twelfths interest in the real property in the City of Los Angeles, County of Los Angeles, State of California, described as:

A parcel of land, including portions of Blocks 13 and 14 of the Subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in Book 26, Pages 19 to 25 inclusive, Miscellaneous Records of said County; Portions of Blocks 6, 8 and 9, as per map of Tract No. 7803, recorded in Book 85, Pages 59 and 60 of Maps, Records of said County, and all of Blocks 10 to 16 inclusive, as per map of said Tract No. 7803, lying within the following described boundary;

Beginning at the intersection of the South Easterly prolongation of the North Easterly line of Tract No. 7514, as per map recorded in Book 80, Pages 81 and 82 of Maps, Records of said County; with the North Westerly line of the Pacific Electric Railway right-of-way, as shown on map of said Tract No. 7514; thence North $35^{\circ}38'20''$ West 2015.07 feet along the said North Easterly line of Tract No. 7514 and its North Westerly prolongation to the North Westerly line of that certain parcel of land conveyed to Charles H. Christie by the Holmby Corporation, deed recorded in Book 2880, Pages 266 and 267 Official Records of said County; thence North $71^{\circ}33'20''$ East 2363.40 feet along said North Westerly line to the North Easterly line of said Tract No. 7803; thence South $35^{\circ}38'20''$ East 1955.86 feet along said North Easterly line and its South Easterly prolongation to the said North Westerly line of the Pacific Electric Railway right-of-way; thence South Westerly along the said North Westerly line of the Pacific Electric Railway right-of-way to the South Easterly prolongation of the center line of Westwood Boulevard, as shown on [169] said map of Tract No. 7803; thence North $35^{\circ}38'20''$ West along said center line of Westwood Boulevard, 1514.28 feet; thence South $54^{\circ}21'40''$ West 160 feet; thence North $35^{\circ}38'20''$ West 430 feet; thence South $54^{\circ}21'40''$ West 165 feet; thence South $52^{\circ}6'36''$ West 636.09 feet; thence South $35^{\circ}38'20''$ East 1622.04 feet to the said North Westerly line of the Pacific Electric Railway right-of-way; thence South $71^{\circ}33'20''$ West 350.04 feet to the point of beginning,

containing 66.429 Acres, more or less.

SUBJECT to easements for street purposes over all streets as shown on said map of said Tract No. 7803, and portion of Santa Monica Boulevard included within the lines of the above described property.

This Deed is given for the express purpose of transferring from the grantor and vesting in the grantee an undivided 2/12ths interest in and to the above described property, including any and all reversionary rights.

SUBJECT to a Mortgage of Two Hundred Seven Thousand Two Hundred Fifty & No/100 Dollars (\$207,250.00) placed on this property as well as other properties by Charles H. Christie. Stanley S. Anderson and Marguerite S. Anderson, husband and wife, assume and agree to pay Forty Thousand Six Hundred Forty-two and 25/100 Dollars (\$40,642.25) of said indebtedness before said mortgage shall become due.

TO HAVE AND TO HOLD to said Grantees their heirs or assigns forever.

WITNESS my hand this 21st day of January, 1925.

CHARLES H. CHRISTIE

By William S. Holman,

Attorney-in-Fact. [170]

State of California,
County of Los Angeles.—ss.

On this 21st day of January, A. D. 1925, before me, Claude Hill, a Notary Public in and for the

said County and State, residing therein, duly commissioned and sworn, personally appeared Wm. S. Holman, known to me to be the person whose name is subscribed to the within Instrument, as the Attorney-in-Fact of Charles H. Christie and acknowledged to me that he subscribed the name of Charles H. Christie thereto as principal and his own name as Attorney-in-Fact.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Notarial Seal] CLAUDE HILL,
Notary Public in and for said County and State.
My Com. Exp. April 21, 1928.

#1461 Copy of original recorded at request of Grantee Nov. 30, 1925, at 43 min past 2 P. M. Copyist #118, Compared, C. L. Logan, County Recorder, By D. Crowell, Deputy. [172]

State of California,
County of Los Angeles.—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 5146 of Official Records, Page 368, Records of Los Angeles County, and that I have carefully compared the same with the original record.

In Witness Whereof, I have hereunto set my hand and affixed my Official Seal, this 10th day of June, 1932.

[Seal] C. L. LOGAN, County Recorder
By L. C. Brown (8) Deputy [171]

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932.

PETITIONER'S EXHIBIT 11

Recorder's Certified Copy Order No. 472

Book 5159 Page 384 of Official Records

GRANT DEED

O.K., H.M.N., Dep. C.H. C.H.

Charles H. Christie, a single man, in consideration of Ten Dollars to him in hand paid, receipt of which is hereby acknowledged, does hereby Grant to *Stanely S. Anderson*, a married man, an undivided one-fourth interest in the real property in the City of Los Angeles, County of Los Angeles, State of California, described as:

A parcel of land, including portions of Blocks 13 and 14 of the Subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in Book 26, pages 19 to 25 inclusive, Miscellaneous Records of said County, lying within the following described boundary:

Beginning at a point in the North Westerly line of the Pacific Electric Railway right-of-way, as shown on map of Tract No. 7514, recorded in Book 80 pages 81 and 82 of Maps, Records of said County, distant thereon North $71^{\circ}33'20''$ East, 350.04 feet from the South Easterly prolongation of the North Easterly line of said Tract No. 7514; thence North $35^{\circ}38'20''$ West, 1622.04 feet; thence North $52^{\circ}6'36''$ East, 636.09 feet; thence North $54^{\circ}21'40''$ East, 165 feet; thence South $35^{\circ}38'20''$ East, 430 feet; thence North $54^{\circ}21'40''$ East, 160 feet to the center line of Westwood Boulevard, as shown on map of Tract No. 7803 recorded in Book 85 pages

59 and 60 of Maps, Records of said County; thence South $35^{\circ}38'20''$ East, 1514.28 feet along said center line of Westwood Boulevard and its South Easterly prolongation to the said North Westerly line of the Pacific Electric Railway right-of-way; thence South $71^{\circ}33'20''$ West, 1005.55 feet along said North Westerly line to the point of beginning, containing 37.837 acres, more or less.

Subject to: easements for street purposes over portions of Westwood Boulevard and Santa Monica Boulevard included within the lines of the above described property.

This deed is given for the express purpose of transferring from the grantor and vesting in the grantees an undivided one-fourth interest in and to the above described property, includ- [173] ing any and all reversionary rights.

Subject to: a mortgage of Two Hundred Seven Thousand Two Hundred Fifty & no/100 Dollars (\$207,250.00) placed on this property as well as other properties by Charles H. Christie. Stanley S. Anderson and Marguerite S. Anderson, husband and wife, assume and agree to pay Forty Thousand Six Hundred Forty-two and 25/100 Dollars (\$40,642.25) of said indebtedness before said mortgage shall become due.

To Have and to Hold to said Grantees their heirs or assigns forever.

Witness my hand this 21st day of January, 1925.

CHARLES H. CHRISTIE

By William S. Holman,

Attorney-in-fact.

State of California,
County of Los Angeles—ss.

On this 21st day of January, A. D. 1925, before me, Claude Hill, a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared Wm. S. Holman, known to me to be the person whose name is subscribed to the within instrument, as the Attorney-in-fact of Charles H. Christie and acknowledged to me that he subscribed the name of Charles H. Christie thereto as principal and his own name as Attorney-in-fact.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Notarial Seal]

CLAUDE HILL,

Notary Public in and for said County and State.

My com. exp. April 21, 1928.

#1462—Copy of original recorded at request of Grantee Nov. 30, 1925 at 43 min. past 2 P. M. Copyist #127. Compared. C. L. Logan, County Recorder. By H. M. Newman, Deputy. [175]

State of California,
County of Los Angeles—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 5159 of Official Records, Page 384, Records of Los Angeles County, and that I have carefully compared the same with the original record.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, this 10th day of June, 1932.

[Seal] C. L. LOGAN, County Recorder
By C. H. Benton (12) Deputy. [174]

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932.

PETITIONER'S EXHIBIT 12.

Certified Copy Order No. 498

Book No. 5672 Page 257 Official Records

GRANT DEED

Stanley S. Anderson and Marguerite S. Anderson, husband and wife, in consideration of Ten Dollars, to them in hand paid, receipt of which is hereby acknowledged, do hereby GRANT to Janss Investment Company, a corporation, an undivided one-fourth interest in and to the real property in the City of Los Angeles, County of Los Angeles, State of California, described as: Lots One (1) to Three (3) inclusive, Five (5) and Seven (7), Eleven (11), to Thirteen (13) inclusive, Fifteen (15) to Eighteen (18) inclusive, Twenty (20) to Twenty-four (24) inclusive, in Block One (1), One (1) to Four (4) inclusive, Six (6) to Ten (10) inclusive, Twelve (12) to Seventeen (17) inclusive, Nineteen (19) and Twenty (20) in Block Two (2), Lots Three (3) to Fifteen (15) inclusive, in Block Three (3), Lots Two (2) and Four (4), Five (5) to Nine (9) inclusive, Eleven (11) to Fourteen (14)

inclusive, in Block Four (4), Lots One (1) and Two (2), Four (4) to Seven (7) inclusive, Nine (9), Eleven (11) to Thirteen (13) inclusive, in Block Five (5), Lots One (1) and Two (2), Four (4) to Eight (8) inclusive, Ten (10) to Seventeen (17) inclusive, in Block Six (6), Lots One (1) to Ten (10) inclusive, Twelve (12) to Fourteen (14) inclusive, in Block Seven (7), Lots One (1), Fifteen (15) and Sixteen (16), in Block Eight (8) of Tract No. 7803, as per Map recorded in Book 85, at Pages 59 and 60, of Maps, in the office of the County Recorder of said County, Lots Seven (7), Eight (8) and Nine (9), in Block Twenty-nine (29), Lots Five (5) to Thirteen (13), in Block Thirty (30) of Tract No. 7803, as per Map recorded in Book 88, at Pages 73, 74 and 75, of Maps, in the office of the County Recorder of said County.

Lot Six (6), Block Thirty-one (31) of Tract 7803, as per Map recorded in Book 85, at Pages 59 and 60, of Maps, in the office of the County Recorder of said County.

TO HAVE AND TO HOLD to said Grantee its successors or as- [176] signs.

WITNESS our hands this 6th day of May, 1926.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

State of California,
County of Los Angeles—ss.

On this 6th day of May, 1926, before me, Olivia M. McBride, a Notary Public in and for said

County, personally appeared Stanley S. Anderson and Marguerite S. Anderson, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

[Notarial Seal]

OLIVIA M. McBRIDE,

Notary Public in and for the County of Los Angeles, State of California.

#1374 Copy of original recorded at request of Grantee, Jun. 1, 1926 at 17 min past 2 P.M. Copyist #118. Compared. C. L. Logan, County Recorder, by F. E. Zimmerman, Deputy. [178]

State of California,
County of Los Angeles—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 5672 of Official Records, Page 257, Records of Los Angeles County, and that I have carefully compared the same with the original record.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, this 10th day of June, 1932.

[Seal]

C. L. LOGAN, County Recorder.

By M. Dean (64) Deputy. [177]

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932.

PETITIONER'S EXHIBIT 13.

Certified Copy Order No. 494

Book 6234 Page 16 of Official Records.

GRANT DEED.

Stanley S. Anderson and Marguerite S. Anderson, husband and wife, in consideration of Ten Dollars, to them in hand paid, receipt of which is hereby acknowledged, do hereby Grant to Janss Investment Company, a corporation, an undivided one-fourth interest in and to the real property in the City of Los Angeles, County of Los Angeles, State of California, described as

Lots Two (2) to Twelve (12) inclusive, Fourteen (14) to Sixteen (16) inclusive, Eighteen (18) to Twenty-four (24) inclusive, in Block One (1), Lots One (1) to Eight (8) inclusive, Ten (10) and Fifteen (15) Seventeen (17) to Twenty-three (23) inclusive, Twenty-six (26) and Twenty-seven (27), in Block Two (2), Lots One (1) to Sixteen (16) inclusive, Nineteen (19), Twenty-one (21) to Twenty-three (23) inclusive, Twenty-six (26) to Thirty-one (31) inclusive, in Block Three (3), Lots One (1) to Four (4) inclusive, Seven (7), Nine (9) to Twelve (12) inclusive, Fourteen (14) to Twenty (20) inclusive, in Block Four (4), Lots Two (2) and Three (3), Six (6) to Eight (8) inclusive, Eleven (11) to Fifteen (15) inclusive, Seventeen (17) to Twenty (20) inclusive, in Block Five (5), Lots One (1) and Two (2), Four (4) to Nine (9) inclusive, Twelve (12), Fifteen (15) to Twenty-one (21) inclusive, in Block Six (6), Lots One (1) to Five (5) inclusive, Seven (7) and Eight

(8), Ten (10) to Seventeen (17) inclusive, in Block Seven (7), Lots One (1) to Six (6) inclusive, Nine (9) to Fifteen (15) inclusive, in Block Eight (8), Lots One (1) to Five (5) inclusive, Seven (7) to Fifteen (15) inclusive, in Block Nine (9), of Tract 7514, as per Map recorded in [179] Book 80, at Pages 81 and 82, of Maps, in the office of the County Recorder of said County. Lots One (1), Three (3) to Eight (8) inclusive, Ten (10) to Twelve (12) inclusive, Sixteen (16) to Nineteen (19) inclusive, in Block One (1), Lots Three (3) to Nineteen (19) inclusive, in Block Two (2), Lots One (1) to Fourteen (14) inclusive, Sixteen (16) to Eighteen (18) inclusive, in Block Three (3), Lots One (1) to Four (4) inclusive, Six (6) to Fifteen (15) inclusive, in Block Four (4), Lots One (1) to Eighteen (18) inclusive in Block Five (5), Lots One (1) to Four (4) inclusive, Six (6) to Sixteen (16) inclusive, in Block Six (6), One (1) to Seventeen (17) inclusive, in Block Seven (7), Lots One (1) to Fourteen (14) inclusive, in Block Eight (8), Lots One (1) to Thirteen (13) inclusive, in Block Nine (9), Lots One (1) to Fourteen (14) inclusive, in Block Ten (10), Lots One (1) to Four (4) inclusive, Eleven (11) to Sixteen (16) inclusive, in Block Eleven (11)), Lots One (1) to Three (3) inclusive, Fifteen (15) to Eighteen (18) inclusive, in Block Twelve (12) of Tract No. 8235, as per Map recorded in Book 114, at Pages 91 to 93 inclusive, of Maps in the office of the County Recorder of said County.

To have and to Hold to said Grantee, its successors or assigns.

Witness our hands this 6th day of May, 1926.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

State of California,
County of Los Angeles—ss.

On this 6th day of May, 1926, before me, Oliva M. McBride, a Notary Public in and for said County, personally appeared Stanley S. Anderson and Marguerite S. Anderson, known to me to be the persons whose names are subscribed to [180] the foregoing instrument, and acknowledged to me that they executed the same.

Witness my hand and official seal.

[Notarial Seal] OLIVIA M. McBRIDE,
Notary Public in and for the County of Los
Angeles, State of California.

#1376. Copy of original, recorded at request of Grantee, June 1, 1926, at 17 Min. Past 2 P.M. Copyist #73. Compared. C. L. Logan, County Recorder, by I. Cady, Deputy. [182]

State of California,
County of Los Angeles—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 6234 of Official Records, Page 16, Records of Los Angeles County, and that I have

carefully compared the same with the original record.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, this 10th day of June, 1932.

[Seal] C. L. LOGAN, County Recorder.

By M. E. Mussen (61) Deputy. [181]

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932.

PETITIONER'S EXHIBIT 14.

Certified Copy Order No. 497

Book No. 5672 Page 256 Official Records

GRANT DEED

Stanley S. Anderson and Marguerite S. Anderson, husband and wife, in consideration of Ten Dollars, to them in hand paid, receipt of which is hereby acknowledged, do hereby Grant to Janss Investment Company, a corporation, an undivided one-sixth interest in and to the real property in the City of Los Angeles, County of Los Angeles, State of California, described as: Lots Five (5) to Ten (10) inclusive, in Block Eleven (11), Lots Four (4) to Fourteen (14) inclusive, in Block Twelve (12), Lots One (1) to Four (4) inclusive, Six (6) to Thirteen (13) inclusive, in Block Thirteen (13), Lots One (1) to Sixteen (16) inclusive, in Block Fourteen (14), Lots One (1) to Twelve (12) inclusive, Fourteen (14) to Nineteen (19) inclusive,

Twenty-three (23) to Thirty (30) inclusive, in Block Fifteen (15) of Tract No. 8235, as per map recorded in Book 114, at Pages 91 to 93 inclusive, of Maps, in the office of the County Recorder of said County.

Lots Four (4) to Twelve (12) inclusive, in Block Eight (8), Lots Three (3) to Eleven (11) inclusive, Thirteen (13) to Nineteen (19) inclusive, in Block Nine (9), Lots One (1) to Six (6) inclusive, Eight (8) and Nine (9), Eleven (11) to Twenty-two (22) inclusive, in Block Ten (10), Lots Three (3) to Thirteen (13) inclusive, in Block Eleven (11), Lots One (1) to Nine (9) inclusive, Twelve (12) to Fifteen (15) inclusive, Eighteen (18) to Twenty-three (23) inclusive, in Block Twelve (12) Lots One (1) to Six (6) inclusive, Eight (8) to Fifteen (15) inclusive, Seventeen (17) to Twenty-four (24) inclusive, Twenty-six (26) to Thirty-one (31) inclusive, in Block Thirteen (13), Lots One (1) to Twenty (20) inclusive, Twenty-two (22) to Twenty-six (26) inclusive, Twenty-eight (28) to Thirty-one (31) inclusive, in Block Fourteen (14), Lots One (1) to Twenty-nine (29) inclusive, in Block Fifteen (15), Lots One (1) to Five (5) inclusive, Seven (7) to Thirteen (13), inclusive, Fifteen (15) to Twenty-one (21) inclu- [183] sive, Twenty-three (23) to Twenty-nine (29) inclusive, Thirty-one (31), Thirty-two (32) and Thirty-four (34), in Block Sixteen (16) of Tract No. 7803, as per Map recorded in Book 85, at Pages 59 and 60, of Maps, in the office of the County Recorder of said County. TO HAVE

AND TO HOLD to said Grantee its successors or assigns.

WITNESS our hands this 6th day of May, 1926.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

State of California,
County of Los Angeles.—ss.

On this 6th day of May, 1926, before me, Olivia M. McBride, a Notary Public in and for said County, personally appeared Stanley S. Anderson and Marguerite S. Anderson, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

[Notarial Seal] OLIVIA M. McBRIDE

Notary Public in and for the County of Los Angeles,
State of California.

#1373 Copy of original recorded at request of Grantee, Jun 1, 1926 at 17 min past 2 P. M. Copyist #118 Compared C. L. Logan, County Recorder, by F. E. Zimmerman Deputy. [185]

State of California,
County of Los Angeles.—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book 5672 of Official Records, Page 256, Records of Los Angeles County, and that I have carefully compared the same with the original record.

In Witness Whereof, I have hereunto set my hand

and affixed my Official Seal, this 10th day of June, 1932.

[Seal]

C. L. LOGAN, County Recorder

By M. Dean (64) Deputy [184]

[Endorsed]: United States Board of Tax Appeals. Admitted in Evidence Jun. 14, 1932.

PETITIONER'S EXHIBIT 15.

Certified Copy Order No. 496

Book No. 5672 Page 255 Official Records

GRANT DEED

Stanley S. Anderson and Marguerite S. Anderson, husband and wife, in consideration of Ten and No/100 Dollars, to them in hand paid, receipt of which is hereby acknowledged do hereby Grant to Janss Investment Company, a Corporation, an undivided one-fourth ($\frac{1}{4}$) interest in the real property in the City of Los Angeles, County of Los Angeles, State of California, described as: A parcel of land, including portions of Blocks 13 and 14 of the Subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in Book 26, pages 19 to 25 inclusive, Miscellaneous Records of said County, lying within the following described boundary: Beginning at a point in the Northwesterly line of the Pacific Electric Railway right-of-way as shown on map of Tract No. 7514 recorded in Book 80, Pages 81 and 82 of Maps, records of said County, distant thereon North 71° 33' 20" East 350.04 feet from the Southeasterly prolongation of the Northeasterly line of said Tract No. 7514; thence North 35° 38' 20"

West 1622.04 feet; thence North 52° 6' 36" East 636.09 feet; thence North 54° 21' 40" East 165 feet; thence South 35° 38' 20" East 430 feet; thence North 54° 21' 40" East 160 feet to the center line of Westwood Boulevard, as shown on map of Tract No. 7803, recorded in Book 85, Pages 59 and 60 of Maps, records of said County; thence South 35° 38' 20" East 1514.28 feet along said center line of Westwood Boulevard and its Southeasterly prolongation to the said Northwesterly line of the Pacific Electric Railway right-of-way; thence South 71° 33' 20" West 1005.55 feet along said Northwesterly line to the point of beginning, containing 37.837 acres, more or less. SUBJECT to easements for street purposes over portions of Westwood Boulevard and Santa Monica Boulevard included within the lines of the above described property. This deed is given for the express purpose of transferring from the grantors and vesting in the grantee an undivided one-fourth ($\frac{1}{4}$) interest in and [186] to the above described property, including any and all reversionary rights.

TO HAVE AND TO HOLD to said grantee and to its successors or assigns forever.

WITNESS our hands this 31st day of August, 1925.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

State of California,
County of Los Angeles.—ss.

On this 31st day of August, 1925, before me, Olivia M. McBride, a Notary Public in and for said

County, personally appeared Stanley S. Anderson and Marguerite S. Anderson, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

[Notarial Seal] OLIVIA M. McBRIDE
Notary Public in and for the County of Los Angeles,
State of California.

#1377 Copy of original recorded at request of Grantee Jun. 1, 1926, at 17 min past 2 P. M. Copyist #118 Compared C. L. Logan, County Recorder, by F. E. Zimmerman Deputy. [188]

State of California,
County of Los Angeles.—ss.

I hereby certify the foregoing to be a full, true and correct copy of the instrument appearing recorded in Book No. 5672 of Official Records, Page 255, Records of Los Angeles County, and that I have carefully compared the same with the original record.

In Witness Whereof, I have hereunto set my hand and affixed my Official Seal, this 10th day of June, 1932.

[Seal] C. L. LOGAN, County Recorder
By M. Dean (64) Deputy [187]

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932.

PETITIONER'S EXHIBIT 16.
CORPORATION GRANT DEED

JANSS INVESTMENT COMPANY, a corporation organized under the laws of the State of California, with its principal place of business at Los Angeles, California, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby grant to STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, husband and wife, an undivided one-fourth ($\frac{1}{4}$) interest in the real property in the City of Los Angeles, County of Los Angeles, State of California, described as a parcel of land, including portions of Blocks 13 and 14 of the subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in Book 26, Pages 19 to 25 inclusive, Miscellaneous Records of said County, lying within the following described boundary:

Beginning at a point in the Northwesterly line of the Pacific Electric Railway right-of-way, as shown on map of Tract No. 7514 recorded in Book 80, Pages 81 and 82 of Maps, records of said County, distant thereon North $71^{\circ} 33' 20''$ East 350.04 feet from the Southeasterly prolongation of the North-easterly line of said Tract No. 7514; thence North $35^{\circ} 38' 20''$ West 1622.04 feet; thence North $52^{\circ} 6' 36''$ East 636.09 feet; thence North $54^{\circ} 21' 40''$ East 165 feet; thence South $35^{\circ} 38' 20''$ East 430 feet; thence North $54^{\circ} 21' 40''$ East 160 feet to the center line of Westwood Boulevard, as shown on map of Tract No. 7803, recorded in Book 85, pages 59 and 60 of Maps, records of said County; thence South $35^{\circ} 38'$

20" East 1514.28 feet along said center line of Westwood Boulevard and its Southeasterly prolongation to the said Northwesterly line of the Pacific Electric Railway right-of-way; thence South 71° 33' 20" West 1005.55 feet along said Northwesterly line to the point of beginning, containing 37.837 acres, more or less.

EXCEPTING THEREFROM that portion described as follows:

All that portion of Block 14, Rancho San Jose de Buenos Ayres, as per map recorded in Book 52, Pages 9, 10, 11 and 12, Miscellaneous Records of Los Angeles County, being a strip or parcel of land lying between the Southwesterly line of Westwood Boulevard (80 feet in width) as shown on map of Tract No. 7803, recorded in Book 85, pages 59 and 60 of Maps, Records of said County, and a [189] line parallel with and distant Twenty (20) feet Southwesterly, measured at right angles, to said Southwesterly line, and extending from the Southeasterly line of that portion of Ohio Avenue (60 feet in width) extending Southwesterly from said Westwood Boulevard, to the Westerly prolongation of the Southerly boundary of said Tract No. 7803, said last mentioned prolongation being also Northwesterly line of the Northerly roadway of Santa Monica Boulevard (50 feet in width).

ALSO EXCEPTING THEREFROM that portion described as follows:

All that portion of Lookout Avenue, as shown on the map of the Rancho San Jose de Buenos Ayres recorded in Book 52, pages 9 to 12, both inclusive

Miscellaneous Records of Los Angeles County, and vacated by order of the Board of Supervisors of Los Angeles County January 10, 1910, as per Road Book 11, page 208, more particularly bounded and described as follows, to-wit:

Beginning at the point of intersection of the Northeasterly line of Veteran Avenue (30 feet in width) with the Southeasterly line of Ohio Avenue (60 feet in width), as shown on Map of Tract No. 8235, recorded in Book 114, pages 91, 92 and 93 of Maps, Records of said County; thence Northeasterly, along said Southeasterly line of said Ohio Avenue, to a point in the Southeasterly prolongation of the Northeasterly line of that portion of Veteran Avenue (60 feet in width) extending Northwesterly from Ohio Avenue; thence Southeasterly along said Southeasterly prolongation, to a point in the Northerly line of the Northerly roadway of Santa Monica Boulevard; thence Westerly, along said Northerly line, to a point in the Southeasterly prolongation of the Northeasterly line of said Veteran Avenue (30 feet in width); thence Northwesterly, along said last mentioned prolongation and said last mentioned Northeasterly line of Veteran Avenue, to the point of beginning.

SUBJECT to easements for street purposes over portions of Westwood Boulevard, Santa Monica Boulevard and Ohio Avenue included within the line of the above described property.

SUBJECT TO conditions, restrictions, reservations and rights of way of record. [190]

This deed is given for the express purpose of transferring from the grantor and vesting in the

grantees an undivided one-fourth ($\frac{1}{4}$) interest in and to the above described property.

TO HAVE AND TO HOLD to said grantees, their heirs or assigns forever.

IN WITNESS WHEREOF, said Corporation has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its Vice-President and Assistant Secretary thereunto duly authorized, this 16th day of August, 1926.

[Seal] JANSSE INVESTMENT COMPANY
 By Edwin Janss, Vice-Pres.
 By Chas. D. Hayes, Ass't. Sec'y.

State of California,
 County of Los Angeles.—ss.

On this 16th day of August, 1926, before me, Florence B. Adams, a Notary Public in and for said County, personally appeared Edwin Janss, known to me to be the Vice-President, and Chas. D. Hayes, known to me to be the Ass't. Secretary of JANSSE INVESTMENT COMPANY, the corporation that executed the within and foregoing instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

[Seal] FLORENCE B. ADAMS
 Notary Public in and for the County of Los Angeles,
 State of California. [191]

358

When recorded please return to Hollywood Branch Security Trust & Savings Bank, 6385 Hollywood Blvd., Los Angeles, California.

Compared Document, Neale, Book, Easton.

Recorded at request of Title Insurance & Tr. Co. Sep 25 1926 at 8:30 A. M. in Book 4654 Page 235 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

I hereby certify that I have correctly transcribed this document in above mentioned book. M. Gagan, Copyist County Recorder's Office L. A. County, Cal.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932. [192]

PETITIONER'S EXHIBIT 17.

Certified Copy Order No. 492.

Book 3351 Page 381 of Official Records.

THIS MORTGAGE, made September first, 1923, by Charles H. Christie, a single man, hereinafter called Mortgagor, to Holmby Corporation, a corporation, hereinafter called Mortgagee.

WITNESSETH: That Mortgagor hereby mortgages to Mortgagee an undivided one-quarter ($\frac{1}{4}$) interest in the real property in the City of Los Angeles, County of Los Angeles, State of California, described as that portion of the subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in Book 26, Pages 19 to 25, Miscellaneous Records of said County, described as fol-

lows: Parcel No. 1. Beginning at the intersection of the center line of 100th Avenue (formerly Military Avenue) with the Westerly prolongation of the Northerly line of the Pacific Electric Railway right of way, as shown on map of Tract No. 5609, recorded in Book 76, pages 68 to 71 inclusive of Maps, in the office of the County Recorder of said County; thence along the center line of 100th Avenue North $35^{\circ} 38' 20''$ West 2015.07 feet; thence parallel with Santa Monica Boulevard North $71^{\circ} 33' 20''$ East 1003.87 feet; thence parallel with 100th Avenue South $35^{\circ} 38' 20''$ East 2015.07 feet to the Northerly line of said right of way; thence Westerly 1003.87 feet along said Northerly line of said right of way to the point of beginning. Parcel No. 2. That portion of said subdivision of the Rancho San Jose de Buenos Ayres in said City, described as follows: Beginning at the intersection of the center line of Wilshire Boulevard with a line parallel with and distant Northeasterly 30 feet measured at right angles from the Northeasterly line of Lots 10, 11 and 12 in Block 13 of Said Rancho; thence Northeasterly along said center line of Wilshire Boulevard to a line parallel with and distant Southwesterly 30 feet measured at right angles from the Southwesterly line of Lot 1 in Block 18 of said Rancho; thence Southeasterly along said last mentioned parallel line to the Northwesterly prolongation of the Southeasterly line of said Lot 1; thence Northeasterly along said prolongation and Southeasterly line of said Lot 1 to

the most East- [193] erly corner of said Lot 1; thence parallel with 100th Avenue South $35^{\circ} 38' 20''$ East to a line parallel with and Northwesterly 1875.01 feet, measured at right angles from the most Northerly line of Santa Monica Boulevard, as shown on map of said Tract No. 5609; thence South $71^{\circ} 33' 20''$ West along said last mentioned parallel line to the parallel line first above described; thence Northwesterly along said parallel line to the point of beginning; including all buildings and improvements thereon (or that may hereafter be erected thereon); together with all and singular the tenements, hereditaments and appurtenances, water and water rights, pipes, flumes, ditches and other rights thereunto belonging or in any wise now or hereafter appertaining thereto, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

FOR THE PURPOSE OF SECURING: First. Payment of the indebtedness evidenced by one promissory note (and any renewal or extension thereof) in form as follows:

\$62,020.00

Los Angeles, California,
September first, 1923.

On or before three years after date, for value received I promise to pay to Holmby Corporation, a corporation, or order, at Los Angeles, California, the sum of Sixty-two Thousand and Twenty and no/100 Dollars with interest thereon from date, until paid, at the rate of seven per cent per annum, payable semi-annually. Should interest not be so

paid, it shall become part of the principal and thereafter bear like interest therewith. Should default be made in payment of interest when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and interest payable in United States gold coin. This note is secured by a mortgage upon real property.

Charles H. Christie.

U.S.I.R.S. \$12.42 cancelled.

Second: Payment of attorney's fees, in a reasonable sum to be *to be* fixed by the Court and all costs and expenses in any action brought to foreclose this mortgage or in any action or proceeding affecting the rights either of Mortgagor or Mortgagee in said real property, whether such action or proceeding progress to judgment [194] or not; also such sums as Mortgagee may pay for examination of title to, or for surveying, the mortgaged property, all of which sums, including said attorney's fees, Mortgagor agrees to pay, and the same are hereby declared a lien upon said property and are secured hereby.

Third: Performance of every obligation, covenant, promise or agreement herein contained, direct or conditional, and repayment as herein provided of all sums advanced or expended by Mortgagee under the terms hereof.

A. 1. Mortgagor agrees to pay, when due, all taxes, assessments and incumbrances, which are or appear to be liens upon said property or any part

thereof, including taxes, if any levied under the law of said State, upon this mortgage or the debt secured hereby, and hereby waives all right to treat payment of such taxes as a payment on such debt or as being to any extent a discharge thereof; Mortgagor also agrees to keep said buildings insured against fire, to the amount required by, and in insurance companies satisfactory to Mortgagee, and to assign the policies therefor to Mortgagee; and promptly to pay and settle (or cause to be removed by suit or otherwise) all adverse claims against said property.

2. In case said taxes, assessments, or incumbrances so agreed to be paid by Mortgagor be not so paid, or said buildings so insured and said policies so assigned, or said adverse claims so paid, settled or removed, then Mortgagee being hereby made sole judge of the legality thereof, may, without notice to Mortgagor, pay such taxes, assessments or incumbrances, obtain such policies of insurance and pay or settle or cause to be removed by suit or otherwise all such adverse claims.

3. In the event of loss under said policies of fire insurance, the amount collected thereon shall be credited first to interest then due upon said indebtedness, next upon any advances secured hereby and the remainder, if any, may, at the option of the Mortgagee, be applied and credited upon principal, in which case interest shall thereupon cease on the amount so credited on principal; or at the option of Mortgagee, said remainder may be re-

leased to Mortgagor for the purpose of making repairs or improvements upon said property, [195] in which case Mortgagee shall not be obliged to see to the application of the sum so released, nor shall said remainder be deemed a payment of any indebtedness secured hereby.

B. Mortgagor agrees to keep said property in good condition and repair and to permit no waste thereof, and should said property or any part thereof, require any inspection, repair, cultivation, irrigation, protection, care or attention of any kind or nature not provided by Mortgagor, then Mortgagee, being hereby made sole judge of the necessity therefor, may, without notice to Mortgagor enter, or cause entry to be made upon said property, and inspect, repair, cultivate, irrigate, fertilize, fumigate, protect, care for, or maintain said property as Mortgagee may deem necessary. All sums expended by Mortgagee in doing any of the things in this mortgage authorized are secured hereby and shall be paid to Mortgagee by Mortgagor in said gold coin, on demand, with interest from date of expenditure at the rate named in the promissory note secured hereby.

C. In consideration of the indebtedness evidenced by said promissory note, Mortgagor waives all right either to apply for, or to procure, registration of said property or any part thereof under the provisions of the "Land Title Law" and hereby agrees:

1. That to bring said property or any part there-

of under the operation of said law would impair the security of this obligation;

2. That Mortgagor will not cause or permit any part of said property to be brought under the operation of said law;

3. That if, at any time, the owner of any part of said property shall file a petition for registration, or if any part of said property be registered under the provisions of said law, filing such petition for registration, or such registration shall each constitute a default in performance of the covenants and agreements herein contained on the part of Mortgagor, and the whole sum of money secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and Mortgagee may proceed to foreclose this mortgage in accordance with its terms.

D. The maker thereof promises to pay said promissory note according to its terms and conditions, and in case of default in [196] payment of principal or interest, when due, or in payment of any other money herein agreed to be paid, or in performance of any covenant or agreement herein contained on the part of Mortgagor, the whole sum of money then secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and this mortgage may thereupon, or at any time during such default, be foreclosed, and filing of a complaint in foreclosure shall be conclusive notice of the due exercise of such option.

E. In the event of foreclosure, the decree may provide that the property therein described be ordered sold en masse, or in separate parcels, at the option of plaintiff in such action.

F. It is hereby agreed, as part of the security of Mortgagee, that if default should be made in payment of the principal of said promissory note, or in payment of any interest thereon when due, or in any other payment in this mortgage provided, or in any covenant or agreement herein provided to be performed by Mortgagor, then, and in each such case Mortgagee, without limitation or restriction by any present or future law, shall have the absolute right, upon commencement of any judicial proceedings to enforce any right under this mortgage, including foreclosure thereof, to appointment of a receiver of the property hereby mortgaged and of the revenues, rents, profits and other income thereof, and that said receiver shall have (in addition to such other powers as the court making such appointment may confer), full power to collect all such income and after paying all necessary expenses of such receivership and of operation, maintenance and repair of said property, to apply the balance to payment of any sums then due hereunder.

G. Mortgagor agrees that Mortgagee may at any time, without notice, and without affecting the personal liability of any person for payment of indebtedness hereby secured, or the lien of this mortgage upon the remainder of the mortgaged property for the unpaid portion of said indebtedness,

release any part of said mortgaged property from the lien of this mortgage.

H. Every covenant, stipulation, promise and agreement herein shall bind and inure to the benefit of Mortgagor and Mortgagee [197] and their respective successors in interest.

I. In this mortgage, whenever the context so requires, the masculine gender includes the feminine, the singular number includes the plural, and the words "Promissory Note" include all promissory notes or other evidences of indebtedness secured hereby.

The Mortgagee agrees, from time to time, on demand of the Mortgagors, to release from the lien of this mortgage all or any part of the mortgaged property upon payment being made by the Mortgagors on account of the principal sum secured by this Mortgage, at the rate of \$1250.00 per acre for each acre or part of an acre so released together with all accrued interest upon the sums so paid to date of payment. For example: Having in mind the fact that this mortgage covers only an undivided one-quarter interest in the lands above described; should the Mortgagors desire to release a particular five acre piece, the total sum required to release such five acre piece from the lien of this mortgage on the undivided one-quarter interest in such five acre piece would be five times \$1250.00 or \$6250.00. All releases to be made at the expense of the Mortgagor.

WITNESS: the hand and seal of Mortgagor.

CHARLES H. CHRISTIE

State of California,
County of Los Angeles—ss.

On this 27th day of October, 1923, before me, Claude Hill, a Notary Public in and for said County, personally appeared Charles H. Christie, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same. Witness my hand and official seal.

[Notarial Seal]

CLAUDE HILL,

Notary Public in and for the County of Los Angeles, State of California.

My Comm. Exp. May 22nd, 1924.

#368. Copy of original recorded at request of Title Ins. & Tr. Co. Dec. 20, 1923, at 8:30 A.M. Copyist #192. Compared. C. L. Logan, County Recorder, By E. Randolph, Deputy. [199]

State of California,
County of Los Angeles—ss.

I hereby certify the foregoing to be a full, true and correct copy without release and assignment stamps of the instrument appearing recorded in Book 3351 of Official Records, Page 381, Records of Los Angeles County, and that I have carefully compared the same with the original record.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, this 10 day of June, 1932.

[Seal]

C. L. LOGAN, County Recorder

By L. S. Van Culin (56) Deputy.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [198]

Beverly Hills, Calif.
Sept. 5, 1923.

U. S. BOARD OF TAX APPEALS
DIV. 5 DOCKET NO. 42053
ADJUTANT GENERAL
JUN 14 1932
PETITIONER'S EXHIBIT 18
RESPONDENT'S

Mrs. Marguerite S. Anderson,
Beverly Hills Hotel.

Confirming our conversation relative to the Janss Investment and Charlie Christie land deal.

Charlie and I agree to purchase from Janss 120.5 acres for \$180,750 (for one-half interest, Janss retaining one-half), payable \$60,250 cash in September and October, and notes for the balance of \$120,500. On this deal I to-day paid \$5000, on September installment. I also entered into an agreement to purchase from Charlie Christie a 1/4 interest in 107 acres, the total price of the acreage being \$321,000 and our 1.4 will amount to \$80,250. Under the agreement by which Charlie is buying this land from Janss he is to pay \$107,000 cash and notes for \$214,000. The cash payments are to be made in September and October and I to-day paid \$6,250, which is 1.4 of the cash payment due in Sept.

I understand from you that you agree to these transactions and agree to payment of your proportion of the cash payments from any funds now held jointly by us and that you assume liability for your proportion of future payments, such liability to attach to your separate funds as well as those held jointly by us.

It is the belief of Janss and Charlie that with the placing of this property on the market, the notes will be paid off from sales and we will not be called upon for cash to meet same.

Should you for any reason have occasion, in my absence

~~to secure further~~

\$ 62,020.00

Los Angeles, California

September first, 1923

On or before three years, after date,

for or we, or either of us, promise to pay

HOLMBY CORPORATION, A CORPORATION,

Los Angeles, California.

or order.

the sum of SIXTY TWO THOUSAND AND TWENTY AND NO/100 Dollars,

with interest thereon from date until paid, at the rate of seven,

per cent, per annum, payable semi-annually.

Should interest not be so paid, it shall become part of the principal and thereafter bear like interest therewith. Should default be made in payment of interest when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and interest payable in United States gold coin. This note is secured by a mortgage upon real property.

Marguerite S. Anderson

Marguerite S. Anderson

U. S. BOARD OF TAX APPEALS
DIV. 5. 10... DOCKET NO. 103
ADMITTED IN EVIDENCE
JUL 4 1932
EXHIBIT 19



19 a

Date	Interest		Principal	Balance
	Amount	Paid to		
1-15-24			10,000.00	7,070.00
5-16-24			20,000.00	32,070.00
7-23-24	\$2091.29	3-1-24		
1-15-25	834. ³⁰	on acc.		

Pay to the order of The Pacific Mutual Life Insurance Company of California.

HOLMBY CORPORATION

By Larry E. R. Pief
VICE-President

By Richard W. Baggett
Secretary

Pay to the order of Jans Investment Company without recourse.

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY OF CALIFORNIA

By [Signature] Vicepresident

By [Signature] Assistant Secretary

19 B

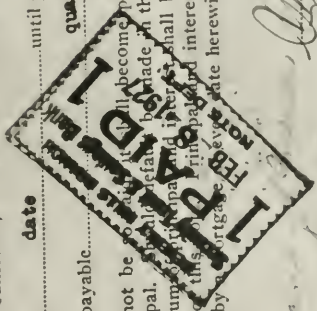
\$ 45,000.00 Los Angeles, California, January 31st, 1924

On January 31st, A.D., 1927 after date, and for value received,
we, jointly and severally, promise to pay to the

SECURITY TRUST & SAVINGS BANK, or order, at its Head Office, Fifth and Spring Sts., in the
City of Los Angeles, California, the sum of FORTY-FIVE THOUSAND Dollars,

with interest from date until paid at the rate of seven
 per cent. per annum, payable quarterly

Should the interest not be paid when it shall become due, the principal and thereafter bear like
interest as the principal. Should default be made in the payment of any installment of interest when
due, then the whole sum of principal and interest shall become immediately due and payable at the
option of the holder of this note. Principal and interest payable in Gold Coin of the United States.
This note is secured by a mortgage, every date herewith upon real property.



Edward J. McQuinn, Mortgagee & Indorsee

Telephone

P. O. Address

Permy Hills Hotel

CHAS. IS.



NO. _____

PAID ON WITHIN NOTE

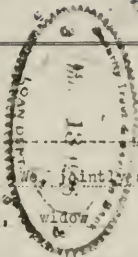
INTEREST		PRINCIPAL	
DATE	AMOUNT	DATE	AMOUNT
MAY 12 '24	603.756		
AUG 8 '24	787.506		
OCT 6 '24	787.509		
FEB 2 '25	787.506		
APR 27 '25	787.50	AM	
JUL 3 '25	787.509		
OCT 22 '25	787.509		
FEB 11 '26	787.50		
APR 20 '26	787.509		
AUG 2 '26	787.50	R	
10-27-26	787.60	K	
1-30-27	787.50	K	
FEB 8 1927	787.50		45,000.00

1928

266992

26667

\$ 14,000.00 Los Angeles, California..... February 29 .. 1924 .
 Two Years ----- after date,
 for value received. We, jointly and severally promise to pay
 to Mary Sturdy, widow



----- or order,
 at Beverly Hills, California
 the sum of Fourteen Thousand and 00/100----- Dollars,
 with interest thereon from ----- date ----- until paid, at the rate of ----- seven -----



per cent. per annum, payable quarterly.
 Should interest not be so paid, it shall become part of the principal and hereafter bear like interest
 therewith. Should default be made in payment of interest when due, the whole sum of principal and
 interest shall, at the option of the holder of this note, become immediately due. Principal and interest
 payable in United States gold coin. This note is secured by a mortgage upon real property.

[Handwritten signature]
 DEPT. OF THE TREASURY
 FEB 29 1924
[Handwritten text]

[Handwritten text] credit *[Handwritten text]*
 Beverly Hills, California

645345 19-E

Mary Sturdy
 Interest Paid to Leby 28-1915 & Mary Sturdy
 Interest paid
 to May 29, 1924.

DATE	PAID	%	INT.	PRIN.	BAL.
MAY 22 '23	490				
SEP 15 '23	245				
DEC 4 '23	245				
MAR 13 '24	280.41			140.00	

JUN 2 '25
 245 00
 490 00
 445 00
 445 00
 445 00

Interest paid
 to May 29, 1924.

Mary Sturdy

Dec. 1st 1925 ¹⁹²⁵

\$ 50,000.00

Los Angeles, California ~~December 28th~~ 1925

On or before six (6) months ~~after date~~ after date, for value received

We or either of us *Rentold* promise to pay to *for no 100*

JANSS INVESTMENT COMPANY
A CORPORATION

or order, at its office in Los Angeles, California

the sum of **FIFTY THOUSAND and no/100** Dollars,

with interest from date until paid, at the rate of **seven (7)** per cent

per annum, payable **quarterly**; should the interest not be so paid, it shall become part of the principal and thereafter bear like interest as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. And in case suit or action is instituted to collect this note or any portion thereof promise and agree to pay in addition to the costs and disbursements provided by statute, ten per cent on the amount then unpaid as attorney's fees in said suit or action. Principal and interest payable in Gold Coin of the United States of America of the present standard. The makers and endorsers of this note hereby waive diligence, demand, protest and notice.

Stanley Anderson
Marquette Anderson

This note secured by *any*

- 1. Address _____
- 2. Address _____
- 3. Address _____



19-9

\$20,000.00 Los Angeles, California... March 11, 1926..

Six months after date, for value received
we, or either of us promise to pay to

JANSS INVESTMENT COMPANY
A CORPORATION

or order, at its office in Los Angeles, California

the sum of Twenty Thousand Dollars,
with interest from date until paid, at the rate of 7 per cent

per annum, payable quarterly ; should the interest not be so paid, it shall become part of the principal and thereafter bear like interest as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. And in case suit or action is instituted to collect this note or any portion thereof promise and agree to pay in addition to the costs and disbursements provided by statute, ten per cent on the amount then unpaid as attorney's fees in said suit or action. Principal and interest payable in Gold Coin of the United States of America of the present standard. The makers and endorsers of this note hereby waive diligence, demand, protest and notice.

This note secured by

Assignment of Syndicate

Interest, and profits or

commissions.

"

1. Address

2. Address

3. Address

Beverly Hills Hotel, Beverly Hills.....

Mary K. Miller
Margaret S. Underwood

\$ 80,000.00 Los Angeles, California APRIL 20, 1926

ON OR BEFORE TWO (2) YEARS after date, for value received

We, Stanley S. Anderson and Marguerite S. Anderson promise to pay to

JANSS INVESTMENT COMPANY A CORPORATION

or order, at its office in Los Angeles, California

the sum of SEVENTY THOUSAND AND NO/100 Dollars,

with interest from APRIL 20th, 1926, at the rate of SEVEN (7%) per cent

per annum, payable QUARTERLY; should the interest not be so paid it shall become part of the principal and thereafter bear like interest as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. And in case suit or action is instituted to collect this note or any portion thereof, the promisee and agree to pay in addition to the costs and disbursements provided by statute ten per cent on the amount then unpaid as attorney's fees in said suit or action. Principal and interest payable in Gold Coin of the United States of America of the present standard. The maker and endorser of this note hereby waive diligence, demand, protest and notice.

This note secured by

- Assignment of interest in
 - Christie -Anderson-Janss Syndicate
 - Christie Film Syndicate
 - Fox Hills Realty Co.
 - Charles H. Christie Film Site
1. Address
 2. Address
- and deeds to portions of Blks. 13. & 14. of subdivision of Rancho San Jose de Buenos Ayres and certain lots 3. Address in Tracts 7514-7803-8235.

Stanley S. Anderson
Marguerite S. Anderson

Los Angeles, California, February 7, 1927

No..... \$50,000.00

On or before two years after date, for value received, I/we promise to pay to JANSS INVESTMENT COMPANY OF LOS ANGELES, or order, at its Main Office in the City of Los Angeles, Fifty Thousand and no/100 Dollars, with interest from date, at the rate of Seven per cent. per annum, payable qtly., until paid, and attorney's fees of ten per cent on the amount then unpaid, if placed in the hands of an attorney for collection, or if suit be commenced or other proceeding be taken to enforce the payment of this note, or to sell any of the collateral securing same. Principal and interest payable in Gold Coin of the United States of America of the present standard. The makers, sureties, guarantors and endorsers of this note hereby consent to renewals and extensions of time at or after the maturity hereof and to the release, surrender or substitutions of collateral, without notice to them or either of them, and hereby waive diligence, presentment, protest and demand and notice of every kind.

I/we do hereby pledge to and deposit with JANSS INVESTMENT COMPANY OF LOS ANGELES as collateral security for the payment of this note and of all other obligations of the undersigned in favor of the holder hereof, direct, indirect or contingent, due or to be due, or that may be hereafter contracted or incurred.

Assignment of equity in Tracts 7514, 8235, and Blocks 1 to 16, inclusive, of Tract 7803, all of which is owned by the undersigned, and the market value of which is now Dollars, and with this condition, viz.:

In the event of depreciation in value of any of the collateral pledged hereunder or if such collateral has become unsatisfactory to the holder hereof, the holder hereof shall have the right at any time to call for such additional collateral as it may deem proper, by demand to that effect in writing, mailed to or left at the address endorsed hereon or to or at the last known place of business or residence of the undersigned, with the same effect as if delivered to the undersigned in person, and on the failure of the undersigned to forthwith comply with such call, this note (and, at the option of the holder hereof, all obligations of the undersigned herein mentioned) shall thereupon and without further notice or demand forthwith be and become immediately due and payable, anything herein or elsewhere contained to the contrary notwithstanding, and the undersigned in case of any such accelerated maturity, or upon any default of the undersigned in the prompt payment or due performance of any of the obligations herein mentioned, hereby authorizes and empowers the holder hereof at its option, to collect or sell, assign and deliver the whole or any part of the above named collateral, or any substitute therefor, or any additions thereto, or any other securities or property coming to or left in the possession of the

holder hereof by or for the undersigned, whether for the express purpose of being used by the holder hereof as collateral security or for any other or different purpose, or in transit to or from the holder hereof by mail or carrier or in the hands of any correspondent or agent of the holder hereof for any of said purposes, at public or private sale, or at any broker's board or stock exchange, at any time or times hereafter, for cash, upon credit or for future delivery, without the necessity of said collateral being present at any such sale or in view of prospective purchasers thereof and without demand, advertisement or notice, the manner of sale and any such demand, advertisement and/or notice being hereby expressly waived. And upon such sale the holder hereof may become the purchaser of the whole or any part of such property so sold, discharged from all trusts and claims and free from any right of redemption; and in case of any such sale or disposal, the holder hereof may apply the proceeds thereof to the payment of the expenses of such sale, broker's commissions, attorney's fees and all charges paid or incurred by the holder hereof pertaining to the safekeeping, protecting, insuring, supervising, manufacturing, preparing for delivery and/or sale and/or delivery and/or sale of same (all of which the undersigned agrees to pay, including any taxes or other charges imposed by law), the holder hereof to apply the remainder of said proceeds to pay one or more or all of the obligations or liabilities of the undersigned herein mentioned, in such order or in

such proportions as the holder hereof may elect, whether then due or not according to their terms, and return the overplus, if any, to the undersigned, and the undersigned agrees to pay the holder hereof any deficiency arising from any such sale or sales without necessity of demand therefor, such demand being hereby waived. In case of any sale by the holder hereof of any of said property on credit or for future delivery, said property so sold may be retained by the holder hereof until the selling price is paid by the purchaser, but said holder hereof shall incur no liability in case of the failure of the purchaser to take up and pay for the property so sold. In case of any such failure the said property may be again and from time to time sold.

The holder hereof may transfer this note, and in case of such transfer, said collateral security may also be transferred, and the transferee in such case shall have the same rights and powers with reference to this note and the collaterals transferred herewith as are hereby given to, or as may be otherwise possessed by said holder. If said collateral shall be so transferred the transferor shall be automatically relieved and fully discharged of all duties and liability with reference to said transferred collateral.

The undersigned and each and every endorser, guarantor and surety hereof, hereby authorizes and empowers the holder hereof, at its option, upon the maturity hereof, to appropriate and apply to the payment and extinguishment of any of or either of

their then obligations or liabilities to the holder hereof and whether or not this note may then be in any manner secured or unsecured, any and all amounts, funds or property then in the hands of the holder hereof, or on deposit or otherwise to the credit of or belonging to the undersigned or any endorser, guarantor or surety hereof; which right, at the option of the holder hereof in regard to property other than money, funds or credits, may be enforced in like manner as hereinabove set forth.

All provisions of law, in equity, and by statute providing for, relating to, or pertaining to pledges and the sale of pledged property, or which prescribe, prohibit, limit or restrict the right to, or conditions, notice or manner of sale, together with all limitations of law in equity or by statute on the right of attachment in the case of secured obligations, are hereby expressly waived by the undersigned. Should this note be signed by more than one person, firm or corporation, all covenants and obligations herein contained shall be considered for all purposes as joint and several covenants and obligations of each signer hereof.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

Address.....

(Paid) —JANSS INVESTMENT CO. D.W.H.

19 J [210]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

Los Angeles, California, December 29, 1927

No.....

\$20,000.00

On or before Ninety (90) Days after date; for value received, I/we promise to pay to JANSSE INVESTMENT COMPANY OF LOS ANGELES, or order, at its Main Office in the City of Los Angeles, Twenty Thousand and No/100 Dollars, with interest from date, at the rate of seven per cent. per annum payable at maturity, until paid, and attorney's fees of ten per cent. on the amount then unpaid, if placed in the hands of an attorney for collection, or if suit be commenced or other proceeding be taken to enforce the payment of this note, or to sell any of the collateral securing same. Principal and interest payable in Gold Coin of the United States of America of the present standard. The makers, sureties, guarantors and endorsers of this note hereby consent to renewals and extensions of time at or after the maturity hereof and to the release, surrender or substitutions of collateral, without notice to them or either of them, and hereby waive diligence, presentment, protest and demand and notice of every kind.

I/we do hereby pledge to and deposit with JANSSE INVESTMENT COMPANY OF LOS ANGELES as collateral security for the payment of this note and of all other obligations of the undersigned in favor of the holder hereof, direct, indirect or contingent, due or to be due, or that may be hereafter contracted or incurred.

Assignment of equity in Tracts 7514 - 7803 - 8235

and 10021, all of which is owned by the undersigned, and the market value of which is now..... Dollars, and with this condition, viz.:

In the event of depreciation in value of any of the collateral pledged hereunder or if such collateral has become unsatisfactory to the holder hereof, the holder hereof shall have the right at any time to call for such additional collateral as it may deem proper, by demand to that effect in writing, mailed to or left at the address endorsed hereon or to or at the last known place of business or residence of the undersigned, with the same effect as if delivered to the undersigned in person, and on the failure of the undersigned to forthwith comply with such call, this note (and, at the option of the holder hereof, all obligations of the undersigned herein mentioned) shall thereupon and without further notice or demand forthwith be and become immediately due and payable, anything herein or elsewhere contained to the contrary notwithstanding, and the undersigned in case of any such accelerated maturity, or upon any default of the undersigned in the prompt payment or due performance of any of the obligations herein mentioned, hereby authorizes and empowers the holder hereof at its option, to collect or sell, assign and deliver the whole or any part of the above named collateral, or any substitute therefor, or any additions thereto, or any other securities or property coming to or left in the possession of the holder hereof by or for the undersigned, whether for the express purpose of being used by the holder

hereof as collateral security or for any other or different purpose, or in transit to or from the holder hereof by mail or carrier or in the hands of any correspondent or agent of the holder hereof for any of said purposes, at public or private sale, or at any broker's board or stock exchange, at any time or times hereafter, for cash, upon credit or for future delivery, without the necessity of said collateral being present at any such sale or in view of prospective purchasers thereof and without demand, advertisement or notice, the manner of sale and any such demand, advertisement and/or notice being hereby expressly waived. And upon such sale the holder hereof may become the purchaser of the whole or any part of such property so sold, discharged from all trusts and claims and free from any right of redemption; and in case of any such sale or disposal, the holder hereof may apply the proceeds thereof to the payment of the expenses of such sale, broker's commissions, attorney's fees and all charges paid or incurred by the holder hereof pertaining to the safekeeping, protecting, insuring, supervising, manufacturing, preparing for delivery and/or sale and/or delivery and/or sale of same (all of which the undersigned agrees to pay, including any taxes or other charges imposed by law), the holder hereof to apply the remainder of said proceeds to pay one or more or all of the obligations or liabilities of the undersigned herein mentioned, in such order or in such proportions as the holder hereof may elect, whether then due or not according to their terms,

and return the overplus, if any, to the undersigned, and the undersigned agrees to pay the holder hereof any deficiency arising from any such sale or sales without necessity of demand therefor, such demand being hereby waived. In case of any sale by the holder hereof of any of said property on credit or for future delivery, said property so sold may be retained by the holder hereof until the selling price is paid by the purchaser, but said holder hereof shall incur no liability in case of the failure of the purchaser to take up and pay for the property so sold. In case of any such failure the said property may be again and from time to time sold.

The holder hereof may transfer this note, and in case of such transfer, said collateral security may also be transferred, and the transferee in such case shall have the same rights and powers with reference to this note and the collaterals transferred herewith as are hereby given to, or as may be otherwise possessed by said holder. If said collateral shall be so transferred the transferor shall be automatically relieved and fully discharged of all duties and liability with reference to said transferred collateral.

The undersigned and each and every endorser, guarantor and surety hereof, hereby authorizes and empowers the holder hereof, at its option, upon the maturity hereof, to appropriate and apply to the payment and extinguishment of any of or either of their then obligations or liabilities to the holder hereof and whether or not this note may then be in

any manner secured or unsecured, any and all amounts, funds or property then in the hands of the holder hereof, or on deposit or otherwise to the credit of or belonging to the undersigned or any endorser, guarantor or surety hereof; which right, at the option of the holder hereof in regard to property other than money, funds or credits, may be enforced in like manner as hereinabove set forth.

All provisions of law, in equity, and by statute providing for, relating to, or pertaining to pledges and the sale of pledged property, or which prescribe, prohibit, limit or restrict the right to, or conditions, notice or manner of sale, together with all limitations of law in equity or by statute on the right of attachment in the case of secured obligations, are hereby expressly waived by the undersigned. Should this note be signed by more than one person, firm or corporation, all covenants and obligations herein contained shall be considered for all purposes as joint and several covenants and obligations of each signer hereof.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

Address.....

(Paid 5/15/28 thru advances on available funds.
Synd. #1 Janss Inv. Co., ACJ.)

19 L [212]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

Los Angeles, California, April 18, 1928.

No..... \$10,000.00

On or before Six Months after date, for value received, I/we promise to pay to JANSS INVESTMENT COMPANY OF LOS ANGELES, or order, at its Main Office in the City of Los Angeles, Ten Thousand and 00/100 Dollars, with interest from date, at the rate of Seven per cent. per annum until paid, and attorney's fees of ten per cent. on the amount then unpaid, if placed in the hands of an attorney for collection, or if suit be commenced or other proceeding be taken to enforce the payment of this note, or to sell any of the collateral securing same. Principal and interest payable in Gold Coin of the United States of America of the present standard. The makers, sureties, guarantors and endorsers of this note hereby consent to renewals and extensions of time at or after maturity hereof and to the release, surrender or substitutions of collateral, without notice to them or either of them, and hereby waive diligence, presentment, protest and demand and notice of every kind.

I/we do hereby pledge to and deposit with JANSS INVESTMENT COMPANY OF LOS ANGELES as collateral security for the payment of this note and of all other obligations of the undersigned in favor of the holder hereof, direct, indirect or contingent, due or to be due, or that may be hereafter contracted or incurred.

Secured by Equity in Tracts 7514, 7803, 8235 & 10021, all of which is owned by the undersigned,

and the market value of which is now.....
Dollars, and with this condition, viz.:

In the event of depreciation in value of any of the collateral pledged hereunder or if such collateral has become unsatisfactory to the holder hereof, the holder hereof shall have the right at any time to call for such additional collateral as it may deem proper, by demand to that effect in writing, mailed to or left at the address endorsed hereon or to or at the last known place of business or residence of the undersigned, with the same effect as if delivered to the undersigned in person, and on the failure of the undersigned to forthwith comply with such call, this note (and, at the option of the holder hereof, all obligations of the undersigned herein mentioned) shall thereupon and without further notice or demand forthwith be and become immediately due and payable, anything herein or elsewhere contained to the contrary notwithstanding, and the undersigned in case of any such accelerated maturity, or upon any default of the undersigned in the prompt payment or due performance of any of the obligations herein mentioned, hereby authorizes and empowers the holder hereof at its option, to collect or sell, assign and deliver the whole or any part of the above named collateral, or any substitute therefor, or any additions thereto, or any other securities or property coming to or left in the possession of the holder hereof by or for the undersigned, whether for the express purpose of being used by the holder hereof as collateral security or for any other or

different purpose, or in transit to or from the holder hereof by mail or carrier or in the hands of any correspondent or agent of the holder hereof for any of said purposes, at public or private sale, or at any broker's board or stock exchange, at any time or times hereafter, for cash, upon credit or for future delivery, without the necessity of said collateral being present at any such sale or in view of prospective purchasers thereof and without demand, advertisement or notice, the manner of sale and any such demand, advertisement and/or notice being hereby expressly waived. And upon such sale the holder hereof may become the purchaser of the whole or any part of such property so sold, discharged from all trusts and claims and free from any right of redemption; and in case of any such sale or disposal, the holder hereof may apply the proceeds thereof to the payment of the expenses of such sale, broker's commissions, attorney's fees and all charges paid or incurred by the holder hereof pertaining to the safekeeping, protecting, insuring, supervising, manufacturing, preparing for delivery and/or sale and/or delivery and/or sale of same (all of which the undersigned agrees to pay, including any taxes or other charges imposed by law), the holder hereof to apply the remainder of said proceeds to pay one or more or all of the obligations or liabilities of the undersigned herein mentioned, in such order or in such proportions as the holder hereof may elect, whether then due or not according to their terms, and return the overplus, if any, to the undersigned,

and the undersigned agrees to pay the holder hereof any deficiency arising from any such sale or sales without necessity of demand therefor, such demand being hereby waived. In case of any sale by the holder hereof of any of said property on credit or for future delivery, said property so sold may be retained by the holder hereof until the selling price is paid by the purchaser, but said holder hereof shall incur no liability in case of the failure of the purchaser to take up and pay for the property so sold. In case of any such failure the said property may be again and from time to time sold.

The holder hereof may transfer this note, and in case of such transfer, said collateral security may also be transferred, and the transferee in such case shall have the same rights and powers with reference to this note and the collaterals transferred herewith as are hereby given to, or as may be otherwise possessed by said holder. If said collateral shall be so transferred the transferor shall be automatically relieved and fully discharged of all duties and liability with reference to said transferred collateral.

The undersigned and each and every endorser, guarantor and surety hereof, hereby authorizes and empowers the holder hereof, at its option, upon the maturity hereof, to appropriate and apply to the payment and extinguishment of any of or either of their then obligations or liabilities to the holder hereof and whether or not this note may then be in any manner secured or unsecured, any and all

amounts, funds or property then in the hands of the holder hereof, or on deposit or otherwise to the credit of or belonging to the undersigned or any endorser, guarantor or surety hereof; which right, at the option of the holder hereof in regard to property other than money, funds or credits, may be enforced in like manner as hereinabove set forth.

All provisions of law, in equity, and by statute providing for, relating to, or pertaining to pledges and the sale of pledged property, or which prescribe, prohibit, limit or restrict the right to, or conditions, notice or manner of sale, together with all limitations of law in equity or by statute on the right of attachment in the case of secured obligations, are hereby expressly waived by the undersigned. Should this note be signed by more than one person, firm or corporation, all covenants and obligations herein contained shall be considered for all purposes as joint and several covenants and obligations of each signer hereof.

MARGUERITE S. ANDERSON
STANLEY S. ANDERSON

Address: 1341 Benedict Con Road, Bev. Hills.

19-N [214]

Paid 5/15/28 thru advances on available funds.
Synd. No. 1 Janss Inv. Co. ACJ.

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

Los Angeles, California, February 13, 1929.

No..... \$75,000.00

On or before Nine (9) Months after date, for value received, I/we promise to pay to JANS S

INVESTMENT CORPORATION OF LOS ANGELES, or order, at its Main Office in the City of Los Angeles, Seventy-Five Thousand and No/100 (\$75,000.00) Dollars, with interest from date, at the rate of seven per cent. per annum from date until paid, and attorney's fees of ten per cent on the amount then unpaid, if placed in the hands of an attorney for collection, or if suit be commenced or other proceeding be taken to enforce the payment of this note, or to sell any of the collateral securing same. Principal and interest payable in Gold Coin of the United States of America of the present standard. The makers, sureties, guarantors and endorsers of this note hereby consent to renewals and extensions of time at or after the maturity hereof and to the release, surrender or substitutions of collateral, without notice to them or either of them, and hereby waive diligence, presentment, protest and demand and notice of every kind.

I/we do hereby pledge to and deposit with JANSSE INVESTMENT COMPANY OF LOS ANGELES as collateral security for the payment of this note and of all other obligations of the undersigned in favor of the holder hereof, direct, indirect or contingent, due or to be due, or that may be hereafter contracted or incurred.

Assignment of equities in syndicates known as Anderson-Jansse Syndicate Nos. 1-2-3, all of which is owned by the undersigned, and the market value of which is now.....Dollars, and with this condition, viz.:

In the event of depreciation in value of any of the collateral pledged hereunder or if such collateral has become unsatisfactory to the holder hereof, the holder hereof shall have the right at any time to call for such additional collateral as it may deem proper, by demand to that effect in writing, mailed to or left at the address endorsed hereon or to or at the last known place of business or residence of the undersigned, with the same effect as if delivered to the undersigned in person, and on the failure of the undersigned to forthwith comply with such call, this note (and, at the option of the holder hereof, all obligations of the undersigned herein mentioned) shall thereupon and without further notice or demand forthwith be and become immediately due and payable, anything herein or elsewhere contained to the contrary notwithstanding, and the undersigned in case of any such accelerated maturity, or upon any default of the undersigned in the prompt payment or due performance of any of the obligations herein mentioned, hereby authorizes and empowers the holder hereof at its option, to collect or sell, assign and deliver the whole or any part of the above named collateral, or any substitute therefor, or any additions thereto, or any other securities or property coming to or left in the possession of the holder hereof by or for the undersigned, whether for the express purpose of being used by the holder hereof as collateral security or for any other or different purpose, or in transit to or from the holder hereof by mail or carrier or in the hands of any

correspondent or agent of the holder hereof for any of said purposes, at public or private sale, or at any broker's board or stock exchange, at any time or times hereafter, for cash, upon credit or for future delivery, without the necessity of said collateral being present at any such sale or in view of prospective purchasers thereof and without demand, advertisement or notice, the manner of sale and any such demand, advertisement and/or notice being hereby expressly waived. And upon such sale the holder hereof may become the purchaser of the whole or any part of such property so sold, discharged from all trusts and claims and free from any right of redemption; and in case of any such sale or disposal, the holder hereof may apply the proceeds thereof to the payment of the expenses of such sale, broker's commissions, attorney's fees and all charges paid or incurred by the holder hereof pertaining to the safekeeping, protecting, insuring, supervising, manufacturing, preparing for delivery and/or sale and/or delivery and/or sale of same (all of which the undersigned agrees to pay, including any taxes or other charges imposed by law), the holder hereof to apply the remainder of said proceeds to pay one or more or all of the obligations or liabilities of the undersigned herein mentioned, in such order or in such proportions as the holder hereof may elect, whether then due or not according to their terms, and return the overplus, if any, to the undersigned, and the undersigned agrees to pay the holder hereof any deficiency arising from any such sale or sales

without necessity of demand therefor, such demand being hereby waived. In case of any sale by the holder hereof of any of said property on credit or for future delivery, said property so sold may be retained by the holder hereof until the selling price is paid by the purchaser, but said holder hereof shall incur no liability in case of the failure of the purchaser to take up and pay for the property so sold. In case of any such failure the said property may be again and from time to time sold.

The holder hereof may transfer this note, and in case of such transfer, said collateral security may also be transferred, and the transferee in such case shall have the same rights and powers with reference to this note and the collaterals transferred herewith as are hereby given to, or as may be otherwise possessed by said holder. If said collateral shall be so transferred the transferor shall be automatically relieved and fully discharged of all duties and liability with reference to said transferred collateral.

The undersigned and each and every endorser, guarantor and surety hereof, hereby authorizes and empowers the holder hereof, at its option, upon the maturity hereof, to appropriate and apply to the payment and extinguishment of any of or either of their then obligations or liabilities to the holder hereof and whether or not this note may then be in any manner secured or unsecured, any and all amounts, funds or property then in the hands of the holder hereof, or on deposit or otherwise to the

credit of or belonging to the undersigned or any endorser, guarantor or surety hereof; which right, at the option of the holder hereof in regard to property other than money, funds or credits, may be enforced in like manner as hereinabove set forth.

All provisions of law, in equity, and by statute providing for, relating to, or pertaining to pledges and the sale of pledged property, or which prescribe, prohibit, limit or restrict the right to, or conditions, notice or manner of sale, together with all limitations of law in equity or by statute on the right of attachment in the case of secured obligations, are hereby expressly waived by the undersigned. Should this note be signed by more than one person, firm or corporation, all covenants and obligations herein contained shall be considered for all purposes as joint and several covenants and obligations of each signer hereof.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

Address: 1341 Benedict Canyon Road, Beverly Hills, California.

(Paid by Journal Entry 5/22/30. L. L. Fuller.)

(O. K. WF.) 19 P [216]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$15,000.00

Los Angeles, California, September 4th, 1929

On demand after date, FOR VALUE RECEIVED I promise to pay to JANSSE INVEST-

MENT CORPORATION, a corporation, or order, at its office in the City of Los Angeles, California, the sum of Fifteen Thousand and no/100 Dollars, with interest thereon from date until paid, at the rate of Seven per cent. per annum, payable quarterly; Principal and Interest payable in gold coin of the United States. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note, become immediately due. Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agree to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and the interest herein, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned have deposited with, and hereby pledge and assign to, said JANNIS INVESTMENT CORPORATION the following personal property of which the undersigned.....the owner, the same being deposited at the sole risk and expense of the undersigned, namely: Assignment of equities in syndicates known as Anderson-Janss Syndicate Nos. 1-2-3, the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such

advancements shall be added to the principal obligation, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should additional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived, and upon such sale said JANSSE INVESTMENT CORPORATION or the holder hereof, or any other person whomsoever, may become the purchaser of the whole or any part of said pledged property, or any additions thereto or any substitute therefor, discharged from any right of redemption, and after deducting all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any

advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand; and the undersigned agree to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any court of competent jurisdiction. In case of any proceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said JANSS INVESTMENT CORPORATION, its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are

hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

Address: 1341 Benedict Canyon Road

Beverly Hills, California

(Paid by Journal Entry 5/22/30 L. L. Fuller)

M

19-R [218]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$15,000.00

Los Angeles, California, October 29, 1929

On or before One (1) Year after date, FOR VALUE RECEIVED We promise to pay to JANSSE INVESTMENT CORPORATION a corporation, or order, at its office in the City of Los Angeles, California, the sum of Fifteen Thousand and no/100 Dollars, with interest thereon from date hereof until paid, at the rate of Seven per cent. per annum, payable Qtly; Principal and interest payable in gold coin of the United States. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note, become immediately due. Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agrees to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and

the interest hereon, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned has deposited with, and hereby pledges and assigns to, said Janss Investment Corporation, the following personal property of which the undersigned is the owner, the same being deposited at the sole risk and expense of the undersigned, namely:

Assignment of equities in Syndicates known as Anderson-Janss Syndicates Numbers 1-2-3 the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such advancements shall be added to the principal obligations, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should additional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute

therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived, and upon such sale said JANSS INVESTMENT CORPORATION or the holder hereof, or any other person whomsoever, may become the purchaser of the whole or any part of said pledged property, or any additions thereto or any substitute therefor, discharged from any right of redemption, and after deducting all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand; and the undersigned agree to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any court of competent jurisdiction. In case of any proceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said JANSSE INVESTMENT CORPORATION, its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

(Paid by Journal entry 5/22/30 L. L. Fuller.)

(OK IY) 19T [220]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$11,250.00

Los Angeles California, November 25, 1929

On demand after date, FOR VALUE RECEIVED I promise to pay to JANSSE INVESTMENT CORPORATION a corporation, or order, at its office in the City of Los Angeles, California, the sum of Eleven Thousand Two Hundred Fifty and no/100 Dollars, Principal and interest payable in gold coin of the United States. Should interest not

be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note, become immediately due. Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agree to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and the interest hereon, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned has deposited with, and hereby pledges and assigns to, said Janss Investment Corporation the following personal property of which the undersigned is the owner, the same being deposited at the sole risk and expense of the undersigned, namely:

Secured by assignment of equity in Anderson-Janss Syndicates No. 1-2-3 the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such advancements shall be added to the principal obligation, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned

to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should additional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived, and upon such sale said JANSS INVESTMENT CORPORATION or the holder hereof, or any other person whomsoever, may become the purchaser of the whole or any part of said pledged property, or any additions thereto or any substitute therefor, discharged from any right of redemption, and after deducting all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand; and the undersigned agree to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any

court of competent jurisdiction. In case of any proceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said JANSSE INVESTMENT CORPORATION, its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

Address

(Paid Feb. 21, 1930. Jansse Inv. Corp, TR.)

(OK IY)

19V [222]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$20,000.00

Los Angeles, California, March 10, 1930

On demand after date, FOR VALUE RECEIVED I promise to pay to JANSSE INVESTMENT CORPORATION a corporation, or order, at its office in the City of Los Angeles, California, the sum of Twenty Thousand and no/100 Dollars, with interest thereon from date until paid, at the rate of seven per cent. per annum, payable Qtrly.; Principal and interest payable in gold coin of the United States. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note, become immediately due. Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agree to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and the interest hereon, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned has deposited with, and hereby pledge..... and assign..... to, said.....the following personal property of which the undersigned..... the owner....., the same being deposited at the sole risk and expense of the undersigned, namely:

Secured by assignment of equities in syndicates known as Anderson-Jansse Syndicate Nos. 1-2 & 3

the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such advancements shall be added to the principal obligation, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should additional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived; and upon such sale said.....

.....or the holder hereof, or any other person whomsoever, may become the purchaser of the whole or any part of said pledged property, or any additions thereto or any substitute therefor, discharged from any right of redemption, and

after deducting all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand, and the undersigned agree to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any court of competent jurisdiction. In case of any proceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said....., its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

Address

(Paid by Journal Entry 5/22/30 L. L. Fuller)

(OK IY)

19X [224]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$23,000.00

Los Angeles, California, May 19, 1930

On demand FOR VALUE RECEIVED I promise to pay to JANSSE INVESTMENT CORPORATION, a corporation, or order, at its office in the City of Los Angeles, California, the sum of Twenty-three Thousand (\$23,000.00) Dollars, with interest thereon from date until paid, at the rate of 7% per cent. per annum, payable quarterly; Principal and interest payable in gold coin of the United States. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note, become immediately due.

Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agrees to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and the interest hereon, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned has deposited with, and hereby pledges and assigns to, said Janss Investment Corporation the following personal property of which the undersigned is the owner, the same being deposited at the sole risk and expense of the undersigned, namely:

Equities in Syndicates known as Anderson-Janss Syndicate No. 1, 2 and 3, or Tracts 7514, 8235, 10021 and Blocks 1 to 16, Tract 7803, the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such advancements shall be added to the principal obligation, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should addi-

tional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived, and upon such sale said JANSSE INVESTMENT CORPORATION or the holder hereof, or any other person whomsoever, may become the purchaser of the whole or any part of said pledged property, or any additions thereto or any substitute therefor, discharged from any right of redemption, and after deducting all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand; and the undersigned agree to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any court of competent jurisdiction. In case of any proceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of

adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said JANSSE INVESTMENT CORPORATION, its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

Address

(Paid Mar 23, 31 Jansse Investment Corp. L. L. Fuller)

(OK)

19Z [226]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$2,730.72

Los Angeles, California, December 1, 1930

On or before Six Months after date, FOR VALUE RECEIVED I promise to pay to JANSS INVESTMENT CORPORATION a corporation, or order, at its office in the City of Los Angeles, California, the sum of Two Thousand Seven Hundred Thirty and 72/100 Dollars, with interest thereon from date hereof until paid, at the rate of seven per cent. per annum, payable at maturity; Principal and interest payable in gold coin of the United States. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note, become immediately due. Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agrees to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and the interest hereon, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned has deposited with, and hereby pledges and assigns to, said Janss Investment Corporation the following personal property of which the undersigned.....the owner, the same being deposited at the sole risk and expense of the undersigned, namely:

Secured by assignment of all right and title to equity in Anderson-Janss Syndicates Numbers 1,

2 and 3, the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such advancements shall be added to the principal obligation, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should additional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived, and upon such sale said JANSSE INVESTMENT CORPORATION or the holder hereof, or any other person whomsoever, may become the pur-

chaser of the whole or any part of said pledged property, or any additions thereto or any substitute therefor, discharged from any right of redemption, **and after deducting** all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand; and the undersigned agree to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any court of competent jurisdiction. In case of any proceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said JANSSE INVESTMENT CORPORATION, its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

Address:: 1341 Benedict Canyon Road.

(Paid Mar 23 1931 Janss Investment Corp. L. L. Fuller)

19bb [228]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$8,119.28

Los Angeles, California, May 31, 1930

On demand FOR VALUE RECEIVED I promise to pay to JANSS INVESTMENT CORPORATION a corporation, or order, at its office in the City of Los Angeles, California, the sum of Eighty-one Hundred Nineteen and 28/100 Dollars, with interest thereon from date until paid, at the rate of seven per cent. per annum, payable at maturity; Principal and interest payable in gold coin of the United States. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note,

become immediately due. Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agree to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and the interest hereon, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned ha..... deposited with, and hereby pledge and assign to, said Janss Investment Corporation the following personal property of which the undersigned..... the owner....., the same being deposited at the sole risk and expense of the undersigned, namely:

Secured by equity in syndicate known as Anderson-Janss Syndicate No. 1, 2 and 3, or Tract 7514, 8235, 10021 and Blocks 1 to 16, Tract 7803, the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such advancements shall be added to the principal obligations, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should additional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived, and upon such sale said JANSSE INVESTMENT CORPORATION or the holder hereof, or any other person whomsoever, may become the purchaser of the whole or any part of said pledged property, or any additions thereto or any substitute therefor, discharged from any right of redemption, and after deducting all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand; and the undersigned agree to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any court of competent jurisdiction. In case of any pro-

ceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said JANSSE INVESTMENT CORPORATION, its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

Address: 1341 Benedict Canyon Rd.

(Paid Mar 24 1931 Jansse Investment Corp.)

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

\$40,000.00

Los Angeles, California, May 16, 1930

Sixty days after date, FOR VALUE RECEIVED I promise to pay to JANSS INVESTMENT CORPORATION, a corporation, or order, at its office in the City of Los Angeles, California, the sum of Forty Thousand (\$40,000.00) Dollars, with interest thereon from date until paid, at the rate of 7% per cent. per annum, payable at maturity; Principal and interest payable in gold coin of the United States. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest. Should default be made in payment of any installment of interest or principal when due the unpaid balance of principal and interest shall, at the option of the holder of this note, become immediately due. Should an attorney be employed to collect, or should suit be commenced to enforce the payment of this note, the undersigned agrees to pay a reasonable sum additional as attorney's fees.

AS SECURITY for the payment of this note and the interest hereon, and any expenses, including attorney's fees, which may accrue hereon, and any extension or renewal hereof, the undersigned has deposited with, and hereby pledges and assigns to, said Janss Investment Corporation the following personal property of which the undersigned is the owner, the same being deposited at the sole risk and expense of the undersigned, namely:

Equities in Syndicates known as Anderson-Janss Syndicate No. 1, 2 and 3, or Tracts 7514, 8235,

10021 and Blocks 1 to 16, Tract 7803, the market value of which is now \$....., on the following terms and conditions, namely:

Said Payee, or the holder hereof, may at any time and from time to time advance such sums as said Payee or holder may deem proper for the protection or preservation of said personal property. Such advancements shall be added to the principal obligation, bear like interest and be secured in like manner.

The holder hereof, may at any time call upon the undersigned for such additional security as it or they may deem proper, and on failure of the undersigned to respond forthwith to such calls, this obligation shall, at the option of the holder hereof, immediately thereupon become due and payable.

Should this note, or any part hereof, or the interest hereon, remain due or unpaid, or should additional security not be furnished when called for, as above provided, the undersigned irrevocably empowers the holder hereof to collect, or to sell and dispose of, at either public or private sale, at the best price offered, the above mentioned pledged property, or any additions thereto or any substitute therefor, either as an entirety or in such parcels as the holder hereof may determine, without any previous demand, advertisement or notice,—such demand, advertisement or notice being hereby expressly waived, and upon such sale said JANSSE INVESTMENT CORPORATION or the holder hereof, or any other person whomsoever, may become the purchaser of the whole or any part of said pledged property, or any additions thereto or any substitute

therefor, discharged from any right of redemption, and after deducting all legal or other costs, expenses of collection, sale and delivery, including reasonable attorney's fees for advice or collection, or in the sale and delivery, may apply the residue of the proceeds of such sale or sales to the payment of any advances made, and the interest thereon, and of the principal and interest then due, and pay the balance, if any, to the undersigned, upon demand; and the undersigned agrees to pay the holder hereof any shortage or deficiency, upon demand.

Nothing herein shall impair the right to use any legal or equitable remedy for the collection hereof, or to foreclose said pledge by proceedings in any court of competent jurisdiction. In case of any proceedings in probate, or in bankruptcy, or of interpleader, or of intervention, or of receivership, or of adverse claims, whereby costs and attorney's fees are proper to be incurred, or of foreclosure or other proceedings to enforce payment, or to protect any right of the holder, then costs, expenses and attorney's fees of the holder hereof, shall be added to the principal obligation, bear like interest and be secured in like manner.

In case of any adverse claims in respect of said pledged property or any portion thereof, the undersigned promises and agrees to hold harmless and to indemnify said JANSSE INVESTMENT CORPORATION, its successors or assigns, from and against any loss, damages, expenses, costs and attorney's fees incurred in or about advising, defending or protecting the interests hereby created.

Upon the payment or performance of the above

obligations, according to the terms thereof, the pledged property shall be returned to the undersigned.

PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST AND DILIGENCE are hereby WAIVED by each party in whatever manner bound on this obligation.

Signature STANLEY S. ANDERSON

Signature MARGUERITE S. ANDERSON

Address

(Paid by Syndicate liquidation Janss Inv Corp
By L. L. Fuller)

(OK)

19FF [232]

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

PETITIONER'S EXHIBIT 20

[Received Mar 1, 1926, Janss Inv. Co.]

March 11, 1926

Janss Investment Company

404 Metropolitan Bldg.

Los Angeles, California.

Gentlemen:—

We hand you herewith note for \$20,000.00, dated March 11, 1926, due on or before six months with interest at rate of 7%, payable quarterly, and signed by Stanley S. Anderson and Marguerite S. Anderson.

As security for this loan, we hereby assign, transfer and set over to you.

1. All our right, title and interest in the Christie-Anderson-Janss Syndicate and the Christie

Film Syndicate covering Tract 7514 and Units 1 and 2 in Tract 7803; and Tract 8235.

2. All our right, title and interest in and to the profits or commissions due us or to be received by us from the Fox Hills Realty Company:

Yours very truly,

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

Accepted and approved:

JANSS INVESTMENT COMPANY,

By.....

Vice President.

[234]

Frank M. McDonnell

E. P. Adams

Certified Public Accountant

Telephone VA 4452

ADAMS & McDONNELL

Public Accountants

Audits - Systems - Investigations

Tax Consultants - Tax Service

Suite 601 Central Building

Los Angeles

April 20th, 1926

JANSS INVESTMENT COMPANY

404 Metropolitan Building

Los Angeles, California

Gentlemen:

I hand you herewith note for Eighty Thousand Dollars (\$80,000.00) dated April 20th, 1926, due on or before two (2) years, with interest at the rate of seven per cent (7%), payable quarterly, signed

by Stanley S. Anderson and my wife, Marguerite S. Anderson.

As security for this loan, we hereby assign, transfer and set over to you:

1. All our right, title and interest in the Christie-Anderson-Janss Syndicate and the Christie Film Syndicate covering Tract 7514 and Units 1 and 2 in Tract 7803 and Tract 8235:
2. All our right, title and interest in and to the profits or commissions due us or to be received by us from the Fox Hills Realty Company:
3. Deed to an undivided one-fourth (1/4) interest in thirty seven (37) acres (plus) film site, from Charles H. Christie to ourselves:
4. Deed from ourselves to you for aforesaid one-fourth (1/4) interest, and upon demand I will have said Deed signed by my wife.

IT IS UNDERSTOOD that as a further consideration for the making of this loan to us, we agree that no disbursements of profits from the above mentioned Syndicates are to be made to us by the Janss Investment Company until our mortgage notes in favor of the Holmby Corporation given as part of the purchase price of the property covered by the above referred-to Syndicates, and the note for \$30,000.00 dated August 13, 1925, have been paid in full.

Yours very truly
STANLEY S. ANDERSON
MARGUERITE S. ANDERSON

Accepted and approved:

JANSS INVESTMENT COMPANY

Vice President

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [235]

PETITIONER'S EXHIBIT 21
- AGREEMENT.

This agreement made and entered into this 10th day of Sept. 1923, by and between CHARLES H. CHRISTIE, and STANLEY S. ANDERSON, both of Beverly Hills, California;

WITNESSETH:

WHEREAS said Christie is about to enter into an agreement with Jauss Investment Company, a corporation, for the purchase from said corporation of approximately one hundred seven (107) acres of land hereinafter described, for a consideration of Three Hundred Twenty-one Thousand (\$321,000) Dollars, one-third ($\frac{1}{3}$) of which amount is to be paid upon the consummation of said sale, and the balance within three years thereafter, and said Christie is desirous of selling to said Anderson and said Anderson is desirous of purchasing one-quarter of the interest acquired by said Christie in said land, all upon the terms and conditions as hereinafter set forth.

NOW, THEREFORE, be it agreed that said Christie does hereby agree to sell to said Anderson,

and said Anderson does hereby agree to purchase from said Christie an undivided one-quarter interest in the said tract of land hereinafter more fully described, for one-quarter the amount to-wit: Eighty Thousand Two Hundred Fifty (\$80,250) dollars, of the purchase price of said land from said Janss Investment Company, a corporation to said Christie; and that immediately following the execution and delivery to said Christie of any instrument or instruments conveying or agreeing to convey said land to said Christie, said Christie will thereupon, and thereafter, as he shall receive the same, execute to said Anderson similar agreements or conveyances of an [236] undivided one-quarter interest in said land, subject to all of the terms as to payment and conditions and restrictions appurtenant to said land under which said Christie shall acquire the same from said corporation. Said land is situated in the County of Los Angeles, State of California, and described as follows: (as per map attached)

CHC WSH

A portion of the Rancho San Jose De Buenos Ayres, containing one Hundred and Seven (107) acres, more or less, more particularly described as follows:

Beginning at the intersection of the southeasterly line of Lot ten (10), Block thirteen (13), as per map of the Rancho San Jose De Buenos Ayres, recorded in Book 26, pages 19 to 25, Miscellaneous Records of Los Angeles County, with the northwesterly prolongation of the center line of Green field Avenue, as per

map of Tract No. 5609, Sheet No. 2, recorded in Book 60, pages 34, 35 and 36, of Maps, Records of Los Angeles County; thence northeasterly along said southeasterly line of Lot ten (10) and its northeasterly prolongation to the intersection of a line parallel with 100th Avenue and extending southeasterly from the southeasterly corner of Lot one (1), Block thirteen (13), said Rancho San Jose De Buenos Ayres; thence southeasterly along said parallel line with 100th Avenue, to the intersection with the southeasterly line of the most northerly fifty (50) foot roadway of Santa Monica Boulevard; thence southwesterly along said southerly line of Santa Monica Boulevard to the intersection of the said northwesterly prolongation of the center line of Greenfield Avenue; thence northwesterly along said northwesterly prolongation of the center line of Greenfield Avenue to the point of beginning. CHC WSH

IT IS FURTHER UNDERSTOOD AND AGREED, that said Christie shall have the privilege of selecting and having set apart to him or his assigns, in severalty, a portion of said land so held by said Christie and Anderson in common, as a site for a film studio for the use of himself or a corporation in which he may be interested, provided that said site shall be limited as to size and location so that a tract of said land one-half the size of said site so selected similar thereto as to desirability for like or commercial purposes shall be avail-

able to said Anderson; and that in the event of said selection by said Christie, said Anderson shall be privileged to select acreage equal to one-half the amount thereof and of similar character to be set apart to himself [237] in severalty. The parties hereto hereby agree to execute the necessary conveyances to each other to effectuate said partition.

Should the parties hereto be unable to agree as to said partial partition of said lands the same may be referred to arbiters to determine an equitable partial partition, as herein contemplated. Each party shall choose one of said arbiters, and the two thus chosen shall select a third. The decision of the majority of the said arbiters shall be binding upon the parties hereto.

IT IS FURTHER MUTUALLY AGREED that this agreement shall not be binding upon the parties hereto, unless coincidentally with the making of said agreement with said Janss Investment Company for the purchase of said land, said Christie and Anderson shall enter into a further agreement with said Janss Investment Company for a purchase and subdivision of an adjoining tract consisting of approximately one hundred twenty and one-half ($120\frac{1}{2}$) acres to be disposed of jointly by said Janss Investment Company, Christie and Anderson, and in which said Christie and Anderson shall each have a one-quarter interest. If said hereinbefore referred to agreements with Janss Investment Company shall not have been entered into within 30 days from and after the date hereof, this agreement shall terminate and be of no further

binding effect upon the parties hereto. All payments of money and exchange or delivery of papers or instruments herein contemplated shall be made through escrow with a title guaranty company in Los Angeles to be selected by the parties hereto.

All the terms and conditions hereof are binding upon and shall inure to the benefit of the heirs, executors, administrators, successors or assigns of the parties hereto, and time is hereby expressly made of the essence hereof.

WITNESS the names of the parties hereto upon the day and year first hereinbefore written. [238]

C. H. CHRISTIE,

By Fred L. Porter,

His attorney in Fact.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [239]

PETITIONER'S EXHIBIT 22.

DEED

RODEO LAND & WATER COMPANY, a corporation organized under the laws of the State of California, having its principal place of business in the city of Los Angeles, in said State, party of the first part, in consideration of the sum of Ten Dollars (\$10.00), does hereby grant, sell and convey to STANLEY S. ANDERSON, of the County of Los Angeles, State of California, party of the second part that certain real property situated in the

County of Los Angeles, State of California, and described as follows, to wit:

Lot One (1) in Block Three (3) of Beverly as designated and shown on map of said Beverly recorded in Book 11, page 94 of Maps, in the office of the County Recorder of said County.

This conveyance is made subject to the lien of taxes for the fiscal year 1915-1916.

PROVIDED, HOWEVER, that this conveyance is made and accepted on each of the following conditions, which are hereby made covenants running with the land, and which shall apply to and be binding upon the grantee, his heirs, devisees, executors, administrators and assigns, namely:

First. That the said grantee shall not, nor shall any of his heirs, assigns or successors in interest, nor those holding or claiming to hold thereunder, use or cause to be used, or allow, or authorize in any manner, directly or indirectly, said premises or any part thereof, to be used for the purpose of vending intoxicating liquors for drinking purposes; [240]

Second. That any building erected upon the premises hereby conveyed shall cost and be fairly worth not less than \$5,000.00, and shall face on the front line of said premises, namely, on Beverly Drive.

Third. That all buildings and fences erected on the property herein conveyed shall be properly painted or stained.

Fourth. That the grantee, his heirs, devisees, ex-

ecutors, administrators, or assigns shall not themselves, nor shall they or either of them, permit any other person or corporation to prospect or drill for or develop or produce oil or other hydro-carbon products on the premises hereby conveyed.

Fifth. It is further covenanted and agreed that upon the breach of any of the foregoing conditions and restrictions prior to the first day of January, 1930, the title to said premises shall immediately, ipso facto, revert to and vest in said party of the first part, or its successors or assigns, or in any corporation to which it shall grant said reversion, and it or its successors in interest, or assigns of such corporation shall be entitled to the immediate possession thereof; but such reversion shall not affect the lien of any mortgage which in good faith may then be existing upon said property.

Sixth. Provided, further, that each of the restrictions, conditions and covenants herein contained as to the sale of intoxicating liquors, the building of houses, out-buildings and stables, and the developing or producing of oil and other like substances shall in all respects terminate and be of no further effect on and after the first day of January, 1930; and, provided further, that nothing herein contained shall be construed as in any manner prohibiting or preventing the party of the first part from constructing upon Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 21 of Block 75, of Beverly Hills, or of causing to be constructed thereon, or of selling said property for the purpose of having construct-

ed thereon, a hotel, nor as prohibiting or preventing the person or persons managing and operating said hotel from dispensing liquors with meals to the bona fide guests of such hotel.

IN WITNESS WHEREOF, the said party of the first part has hereunto caused its corporate name and seal to be affixed by its.....President, andSecretary, thereunto duly authorized, this Fourteenth day of April, 1916.

(Seal) RODEO LAND & WATER COMPANY,
By Burton R. Green,
President.

By F. B. Sutton,
Secretary. [241]

(U. S. Int. Rev. stamps in the amount of \$2.00 affixed and cancelled) [241]

State of California,
County of Los Angeles.—ss.

On this 14th day of April A. D. 1916 before me, J. P. Auchenbach, a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared Burton E. Green known to me to be the President and F. B. Sutton known to me to be the Secretary of the Rodeo Land & Water Company, the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument, on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal] J. P. AUCHENBACH,
Notary Public in and for said County and State.

DEED

Rodeo Land & Water Company

to

Stanley S. Anderson

Dated April 14th, 1916.

Lot 1, Block 3, Beverly.

Rodeo Land & Water Company, Los Angeles, Cal.

144

When recorded mail to Stanley S. Anderson,
Beverly Hills, Calif.

Compared. Document, Ells. Book, Moore.

Recorded at request of Grantee Jul 26 1916 at
59 min. past 2 P.M. in Book 6271 page 288 of
Deeds. Records Los Angeles Co., Cal. C. L. Logan,
County Recorder, By E. E. Sallady, Deputy. Fee
\$1.30. 422

[Endorsed]: United States Board of Tax Ap-
peals. Admitted in evidence Jun. 14, 1932. [242]

PETITIONER'S EXHIBIT 23.

GRANT DEED.

MARY MACBEAN and ISABELLA MAC-
BEAN, unmarried women, of Los Angeles, Cali-

fornia, in consideration of Ten Dollars to them in hand paid, the receipt of which is hereby acknowledged, do hereby grant to STANLEY S. ANDERSON all that real property situated in the City of Beverly Hills, County of Los Angeles, State of California, described as follows:

Lot Twenty-three (23), in Block One (1) of Beverly, in the City of Beverly Hills, County of Los Angeles, State of California, as per map recorded in Book 11, page 94 of Maps, in the office of the County Recorder of said County.

To Have and to Hold to the said Grantee his heirs or assigns.

Witness our hands this 14th day of April-1916

ISABELLA MACBEAN

MARY MACBEAN

[U. S. Internal Revenue stamps in the amount of \$1.00 affixed and cancelled.] [243]

State of California,
County of Los Angeles.—ss.

On this 14th day of April, 1916, before me, Le-Grand Betts, a Notary Public in and for said County, personally appeared Mary Macbean and Isabella Macbean, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they executed the same.

Witness my hand and official seal.

[Notarial Seal]

LE GRAND BETTS,

Notary Public in and for the County of
Los Angeles, State of California.

GRANT DEED.

Individual

Mary Macbean and Isabella Macbean, to.....

Dated April 14th, 1916.

Title Insurance and Trust Company,

Title Insurance Building,

Los Angeles, California

145

Order Number

Compared. Document. Tezmier, Book Ziegler.

When recorded please mail this deed to Stanley S. Anderson, Beverly Hills, Calif.

Recorded at request of grantee Jul 26, 1916, at 59 min. past 2 P.M. in Book 6307, page 132 of Deeds, Records Los Angeles Co., Cal. C. L. Logan, County Recorder, By G. W. Taylor, Deputy.

Fee, \$..... 80/3

423

84

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [244]

PETITIONER'S EXHIBIT 24.

GRANT DEED

O. Franklin Thayer and Enona M. Thayer, his wife of Sherman Los Angeles Co., California of *Los Angeles County, California*, in consideration of Ten and no/100 (\$10.00) Dollars, to.....in hand paid, the receipt of which is hereby acknowledged, do hereby Grant to Stanley S. Anderson of Beverly Hills California of Los Angeles County, California, all that real property situate in the County of Los

Angeles, State of California, described as follows:

Lot Twenty-four (24) in Block One (1) of Beverly as described and as designated and shown on Map of said Beverly, recorded in Book 11, Page 94 of Maps, in the office of the County Recorder of said County.

This deed is subject to the restrictions in deed between the Rodeo Land and Water Company, a corporation, and O. M. Newby, dated October 4, 1912, and recorded on October 22, 1912, in Book 5229, of Deeds, at page 144, in the office of the County Recorder of said Los Angeles County.

To Have and to Hold to the said grantee his heirs or assigns.

Witness our hands this 15th day of April 1916.

O. FRANKLIN THAYER

ENONA M. THAYER

(U. S. Internal Revenue stamps in the amount of \$1.00 affixed and cancelled.) [245]

State of California,
County of Los Angeles.—ss.

On this 15th day of April 1916 before me G. G. Greenwood a Notary Public in and for said County, personally appeared O. Franklin Thayer and Enona M. Thayer, (his wife) known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same.

Witness my hand and official seal.

[Seal]

G. G. GREENWOOD,

Notary Public, Los Angeles, County, California.

GRANT DEED

to

Dated,191.....

Title Guarantee and Trust Company

Capital, Fully Paid, \$500,000

Surplus - - \$350,000

Title Guarantee Building

Los Angeles, Cal.

Order No.

143

When recorded please mail this Deed to Stanley S. Anderson, Beverly Hills, Calif.

Compared. Document, Moore. Book, Ells.

Recorded at request of Grantee Jul 26 1916 at 59 min. past 2 P. M. in Book 6275 Page 241 of Deeds Records Los Angeles Co., Cal. C. L. Logan, County Recorder, By E. E. Sallady, Deputy.

Fee \$..... 90/4 421

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1933. [246]

PETITIONER'S EXHIBIT 25.

GRANT DEED

MARY C. TAYLOR and G. L. TAYLOR, her husband, of the City of Houston, County of Harris,

State of Texas, in consideration of Ten (\$10.00) Dollars to them in hand paid, the receipt of which is hereby acknowledged, do hereby Grant to STANLEY S. ANDERSON, of Beverly Hills, County of Los Angeles, State of California, all that real property situated in the City of Beverly Hills, County of Los Angeles, State of California, described as follows:

Lots one (1) and two (2) in Block two (2) of Beverly, as per Map recorded in Book 11, Page 94, of Maps, in the office of the County Recorder of said County.

SUBJECT TO the taxes for the fiscal year of 1916 and 1917;

SUBJECT ALSO to conditions, restrictions and reservations contained in the deeds from Rodeo Land and Water Company recorded in Book 3136, Page 151, of Deeds, affecting said Lot 1, and in Book 3160, Page 97, of Deeds, Records of said County, affecting said Lot 2.

To Have and to Hold to the said Grantee, his heirs or assigns subject to the matters above shown.

Witness their hands this 5th day of May, 1916.

MARY C. TAYLOR

G. L. TAYLOR

(U. S. Internal Revenue stamps in the amount of \$2.50 affixed and cancelled.) [247]

State of Texas,
County of Harris.—ss.

On this 11th day of May 1916 before me, Otis K. Hamblin a Notary Public in and for said County, personally appeared Mary C. Taylor and G. L. Taylor known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they executed the same.

Witness my hand and Official Seal.

[Seal] OTIS K. HAMBLIN,
Notary Public in and for the County of Harris,
State of Texas.

My commission expires June 1st, 1917.

Otis K. Hamblin, Notary.

GRANT DEED

Individual

Mary C. Taylor et con

to

Stanley S. Anderson

Dated May 5th, 1916.

Title Insurance and Trust Company

Title Insurance Building

Los Angeles, California

Order Number 428964

146

Compared. Document, Moore. Book, Ells.

When recorded please mail this Deed to Stanley S. Anderson Beverly Hills, Cal.

Recorded at request of Grantee Jul 26 1916 at 59 min. past 2 P. M. in Book 6275 Page 242 of Deeds. Records Los Angeles Co., Cal. C. L. Logan, County Recorder, By G. W. Taylor, Deputy.

Fee \$..... 90/4 424

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932. [248]

PETITIONER'S EXHIBIT 26.

Beverly Hills, Calif.

September 5, 1923.

Mrs. Marguerite S. Anderson,

Beverly Hills Hotel.

Confirming our conversation relative to the Janss Investment and Charlie Christie land deal.

Charlie and I agree to purchase from Janss 120.5 acres for \$180,750 (for one-half interest, Janss retaining one-half), payable \$60,250. cash in September and October, and notes for the balance of \$120,500. On this deal I to-day paid \$5000. on the September installment. I also entered into an agreement to purchase from Charles Christie a 1/4 interest in 107 acres, the total price of the acreage being \$321,000. and our 1.4 will amount to \$80,250. Under the agreement by which Charlie is buying this land from Janss he is to pay \$107,000. cash and notes for \$214,000. The cash payments are to be made in September and October and I to-day

paid \$6250. which is 1.4 of the cash payment due in Sept.

I understand from you that you agree to these transactions and agree to payment of your proportion of the cash payments from any funds now held jointly by us, and that you assume liability for your proportion of future payments, such liability to attach to your separate funds as well as those held jointly by us.

It is the belief of Janss and Charlie that with the placing of this property on the market, the notes will be paid off from sales and we will not be called upon for cash to meet same.

Should you for any reason have occasion, in my absence or in case of any misunderstanding arising later, to secure further details relative to this, Dr. J. will give you same.

STANLEY S. ANDERSON. [249]

PETITIONER'S EXHIBIT 27.

THIS CERTIFIES, That a certain mortgage executed by Stanley S. Anderson and Marguerite S. Anderson his wife of Beverly Hills in the County of Los Angeles and State of California, to John Birkholz of Grand Forks, North Dakota, dated the 25th day of July 1916 upon the Lots one (1) and two (2), in Block two (2), Lots twenty-three (23) and twenty-four (24) in Block one (1) and Lot one (1) in Block three (3) of Beverly, as per map re-

corded in Book 11 Page 94 of Maps, in the office of the County Recorder of said County, and recorded in the office of the County Recorder in and for the County of Los Angeles and State of California, in Book 4023 of Mortgage deeds, on page 71 is Paid and Satisfied, with the notes accompanying the same, and I hereby authorize and require the Recorder for said County to discharge the same of record in his office.

Witness my hand and seal this 2nd day of April A. D. 1917.

[Seal]

JOHN BIRKHOLZ

Signed, Sealed and Delivered in Presence of

A. L. SHIDELER

GENEVIEVE O'KEEFE

State of North Dakota,
County of Grand Forks.—ss.

On this 2nd day of April A. D. 1917 before me personally appeared John Birkholz to me known to be the identical person described in and who executed the foregoing instrument and acknowledged to me that he executed the same.

Witness my hand and Seal this 2nd day of April A. D. 1917.

[Seal]

A. L. SHIDELER

Notary Public North Dakota.

My Commission expires July 17, 1917.

[250]

BR

Loan No. 30899

SATISFACTION OF MORTGAGE

John Birkholz

to

Stanley S. Anderson

Office of Register of Deeds

.....
County of.....—ss.

I hereby certify that the within Satisfaction of Mortgage was filed in this office for record on theday of.....A. D. 19..... ato'clock.....M., and was duly recorded in Book.....of.....at page.....

.....
Register of Deeds

By.....Deputy.

John Birkholz

Investment Banker

Grand Forks, N. Dak.

722

Compared. Document, Bond. Book, Elliott.

Please write the name and address on the back of each document you wish returned by mail.

First Natl. Bank Beverly Hill Cal

Recorded Apr 14 1920 34 min. past 10 A. M. in Book 657 at page 49 of Releases of Mtgs. Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Mortgagor.

I certify that I have correctly transcribed this

document in above mentioned book. A. S. Nadeau,
Copyist, County Recorder's Office, L. A. Co., Cal.
#64

615 80/3

[251]

THIS MORTGAGE, made the twenty-fifth day of July 1916 By Stanley S. Anderson and Marguerite S. Anderson, his wife, of Beverly Hills, Los Angeles County, Cal. Mortgagors To John Birkholz, of Grand Forks, North Dakota, Mortgagee

Witnesseth: That the Mortgagors hereby mortgage to the Mortgagee all that certain real property situate in the City of Beverly Hills, County of Los Angeles, State of California, and particularly described as follows:

Lots One (1) and Two (2) in Block Two (2), Lots Twenty-three (23) and Twenty-four (24) in Block One (1), and Lot One (1) in Block Three (3) of Beverly, as per map recorded in Book 11 Page 94 of Maps, in the office of the County Recorder of said County [252] including all buildings and improvements thereon that may be erected thereon; together with all and singular the tenements, hereditaments and appurtenances, water rights, pipes, flumes and ditches thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; for the purpose of securing

First: The performance of the promises and obligations of this mortgage and payment of the indebtedness evidenced by one promissory note

(and any renewal or renewals thereof) in words and figures as follows:

\$7000.00

Los Angeles, California, July 25, 1916

On, or before one year after date, for value received, we, Stanley S. Anderson and Marguerite S. Anderson promise to pay to John Birkholz or order, at Los Angeles, Cal. the sum of Seven Thousand (\$7000.00) Dollars, with interest from date until paid, at the rate of Seven per cent per annum, payable semi-annually; should the interest not be so paid, it shall become part of the principal and thereafter bear like interest as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. Principal and interest payable in gold coin of the United States. This note is secured by a mortgage of even date herewith.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

U. S. I. R. S. \$1.40 Cancelled.

Second: The payment of attorney's fees for a reasonable sum to be fixed by the Court in any action brought to foreclose this mortgage, whether suit progress to judgment or not; also the payment of all costs and expenses of such suit and also such sums as said mortgagee may pay for searching the title to the mortgaged property subsequent to the date of the record of this mortgage or for survey-

ing said property, all of which said sums, including said attorney's fees, are hereby declared a lien upon said property and are secured hereby.

Third: The payment of all sums expended or advanced by the mortgagee for taxes, assessments, incumbrances, adverse claims, fire insurance, inspection, repair, cultivation, irrigation, protection or for any other purpose, provided for by the terms of this mortgage.

The mortgagors agree to pay, *a* soon as due, all taxes, assessments and incumbrances, which may be, or appear to be, liens upon said property or any part thereof (except taxes levied or assessed upon this mortgage or upon the money secured hereby), and to keep said buildings insured against fire, to the amount required by and in such insurance companies as may be satisfactory to the mortgagee and to assign the policies therefor to the mortgagee; and to promptly pay or settle (or cause to be removed by suit or otherwise) all adverse claims against said property.

In case said taxes, assessments, or incumbrances so agreed to be paid by the mortgagors be not so paid, or said buildings so insured and said policies so assigned, or said adverse claims so paid, settled or removed, then the mortgagee, being hereby made the sole judge of the legality thereof, may, without notice to the mortgagors, pay such taxes, assessments or incumbrances, obtain such policies of insurance in his own name as mortgagee and pay or settle any or all adverse claims or cause the same to be removed by suit or otherwise.

The mortgagors agree to keep said property in good condition and repair and to permit no waste thereof, and should said property, or any part thereof, require any inspection, repair cultivation, irrigation or protection, other than that provided by the mortgagors, then the mortgagee, being hereby made the sole judge of the necessity therefor, and without notice to the mortgagors, may enter, or cause entry to be made, upon said property, and inspect, repair, cultivate, irrigate or protect said property as he may deem necessary. All sums expended by the mortgagee in doing any of the things above authorized are secured hereby and shall be paid to the mortgagee by the mortgagors in said gold coin, on demand, together with interest from the date of payment, at the same rate of interest as is provided to be paid in the note hereinbefore set out. [253]

In the event of a loss under said policies of fire insurance, the amount collected thereon shall be credited first to the interest due, if any, upon said indebtedness, and the remainder, if any, upon the principal sum, and interest shall thereupon cease on the amount so credited on said principal sum.

The mortgagors promise to pay said note according to the terms and conditions thereof; and in case of default in the payment of the same, or of any installment of interest thereon when due, or if default be made in the payment of any other of the moneys herein agreed to be paid, or in the performance of any of the covenants or agreements herein

contained on the part of the mortgagors, the whole sum of money then secured by this mortgage shall become immediately due and payable at the option of the holder of said note and this mortgage may thereupon, or at any time during such default, be foreclosed, and the filing of the complaint in foreclosure shall be conclusive notice of the exercise of such option by the mortgagee.

It is also agreed that should this mortgage be foreclosed, then in the decree of foreclosure entered in such action, the property described therein may be ordered sold en masse—or as one lot or parcel, at the option of the mortgagee.

And Also, that the party of the second part may at any time, without notice, release portions of said mortgaged premises from the lien of this mortgage without affecting the personal liability of any person for the payment of the said indebtedness or the lien of this mortgage upon the remainder of the mortgaged premises for the full amount of said indebtedness then remaining unpaid.

The mortgagors hereby mortgage the property hereinbefore described, to secure the performance of every promise and agreement herein contained, direct or conditional, and to secure the repayment to the mortgagee of all sums paid, laid out or expended by the said mortgagee under the terms of this mortgage, and also to secure the attorneys' fees and costs provided for by this mortgage in case of a foreclosure thereof.

Every stipulation, agreement and appointment herein in favor of said mortgagee shall apply and

inure to the benefit of his heirs, executors, administrators or assigns.

Witness the hands and seals of said Mortgagors the day and year first above written.

[Seal] STANLEY S. ANDERSON

[Seal] MARGUERITE S. ANDERSON

Signed and Sealed in Presence of

State of California,
County of Los Angeles.—ss.

On this Twenty sixth day of July 1916, before me, Thomas Feron a Notary Public in and for said County, personally appeared Stanley S. Anderson and Marguerite S. Anderson his wife known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal the day and year in this Certificate first above written.

[Seal] THOMAS FERON,

Notary Public in and for the County of Los Angeles,
State of California. [254]

BR #30899

MORTGAGE

Individual

Stanley S. Anderson and Marguerite S. Anderson
to
John Birkholz.

Dated July 25, 1916. 190

Title Insurance and Trust Company
Cor. Franklin and New High Streets
Los Angeles, California

Compared. Document, Ells. Book, Moore.
223

Order No. 433975

When recorded please mail this instrument to
Stanley A. Anderson Beverly Hills Calif.

Recorded at request of Title Insurance & Tr. Co.
Aug 2 1916 at 8:30 A. M. in Book 4023 Page 71 of
Mortgages Records Los Angeles Co., Cal. C. L.
Logan, County Recorder, By G. W. Taylor, Deputy.
Fee \$1.90

[Endorsed]: United States Board of Tax Ap-
peals. Admitted in evidence Jun. 14, 1932. [255]

PETITIONER'S EXHIBIT 28.

DEED OF TRUST

This Deed of Trust, Made this 21st day of June,
1926, Between Grace D. Barnes, herein called
TRUSTOR, SECURITY TRUST & SAVINGS
BANK, a corporation, of Los Angeles, California,

herein called TRUSTEE, and Stanley S. Anderson and Marguerite S. Anderson, husband and wife, as joint tenants, herein called BENEFICIARY.

Witnesseth: That Trustor hereby GRANTS TO TRUSTEE, IN TRUST, WITH POWER OF SALE, all that property in the City of Beverly Hills, County of Los Angeles, State of California, described as:

Lot Twelve (12) in Block Three (3) of Tract Number Forty-one Hundred Sixty (4160), as per map recorded in Book 44, Page 69 of Maps, records of Los Angeles County.

Subject to a Mortgage of \$25,000.00 in favor of Security Trust & Savings Bank of record.

FOR THE PURPOSE OF SECURING:

FIRST. Payment of the indebtedness evidenced by one promissory note (and any renewal or execution thereof), substantially in form as follows:

\$50,000.00

Los Angeles, California, June 21, 1926

In installments and at the times hereinafter stated, for value received We, jointly and severally promise to pay to Stanley S. Anderson and Marguerite S. Anderson, husband and wife, as joint tenants, or order, at Beverly Hills, California the principal sum of Fifty Thousand and 00/100 Dollars, with interest from date on deferred payments until paid at the rate of seven per cent. per annum, payable quarterly. Said principal sum payable in two installments as follows:

\$25,000.00 on or before September 21, 1926

\$25,000.00 on or before December 21, 1926

Also costs of collection and reasonable attorney's fees in case this note be not paid at maturity.

Should the interest not be so paid it shall bear like interest as the principal. Should default be made in the payment of any installment of principal or interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. Principal and interest payable in gold coin of the United States of the present standard. This note is secured by a certain Deed of Trust to SECURITY TRUST & SAVINGS BANK, a corporation.

(Signed) L. S. BARNES

GRACE D. BARNES [256]

SECOND. Payment and/or performance of every obligation, covenant, promise or agreement herein contained.

TO HAVE AND TO HOLD SAID PROPERTY UPON THE FOLLOWING EXPRESS TRUSTS, TO-WIT:

A. Trustor promises and agrees, during continuance of these Trusts:

1. For the purpose of protecting and preserving the security of this Deed of Trust: (a) to properly care for and keep said property in good condition and repair; (b) not to remove or demolish any building thereon; (c) to complete in good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; (d) to comply with all laws, ordinances and regu-

lations requiring any alterations or improvements to be made thereon; (e) not to commit or permit any waste or deterioration thereof; (f) not to commit, suffer or permit any act to be done in or upon said property in violation of any law or ordinance; (g) to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary to protect and preserve said security, the specific enumerations herein not excluding the general.

2. To provide, maintain, and deliver to Beneficiary fire insurance satisfactory to, and with loss payable to Beneficiary. The amount collected under any fire insurance policy shall be credited first, to accrued interest; next, to expenditures hereunder and any remainder upon the principal, and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at option of Beneficiary, the entire amount so collected or any part thereof may be released to Trustor, without liability upon Trustee for such release.

3. To appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust, the interests of Beneficiary or the rights, powers and duties of Trustee hereunder; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary and/or Trustee may appear.

4. To pay before default or delinquency: (a) all

taxes, assessments or incumbrances (including any debt secured by Deed of Trust), which appear to be prior liens or charges upon said property or any part thereof, including assessments on appurtenant water stock, and any accrued interest, cost or penalty thereon; (b) all costs, fees and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for Sale, as hereinafter provided.

5. To pay within thirty days after expenditure, without demand, all sums expended by Trustee or Beneficiary under the terms hereof, with interest from date of expenditure at the rate of ten per cent per annum.

B. Should Trustor fail or refuse to make any payment or do any act, which he is obligated hereunder to make or do, at the time and in the manner herein provided, then Trustee and/or Beneficiary, each in his sole discretion, may, without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof:

1. Make or do the same in such manner and to such extent as may be deemed necessary to protect the security of this Deed of Trust, either Trustee or Beneficiary being authorized to enter upon and take possession of said property for such purposes.

2. Commence, appear in or defend any action or proceeding affecting or purporting to affect the security of this Deed of Trust, the interests of Bene-

fiary or the rights, powers and duties of Trustee hereunder, whether brought by or against Trustor, Trustee or Beneficiary; or

3. Pay, purchase, contest or compromise any prior claim, debt, lien, charge or incumbrance which in the judgment of either may affect or appear to affect the security of this Deed of Trust, the interests of Beneficiary or the rights, powers and duties of Trustee hereunder.

Provided, that neither Trustee nor Beneficiary shall be under any obligation to make any of the payments or do any of the acts above mentioned, but, upon election of either or both so to do, employment of an attorney is authorized and payment of such attorney's fees is hereby secured.

C. Trustee shall be under no obligation to notify any party hereto of any action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.

D. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.

E. Trustee may, at any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the note secured hereby

for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property:

1. Reconvey any part of said property;
2. Consent in writing to the making of any map or plat thereof; or
3. Join in granting any easement thereon.

F. Upon payment of all sums secured hereby and surrender to Trustee, for cancellation, of this Deed of Trust and the note secured hereby, Trustee, upon receipt from Beneficiary of a written request reciting the fact of such payment and surrender, shall reconvey, without warranty, the estate then held by Trustee and the grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto," and Trustee is authorized to retain this Deed of Trust and such note. The recitals in such reconveyance of any matters or facts shall be conclusive proof against all persons of the truthfulness thereof.

G. 1. Should breach or default be made by Trustor in payment of any indebtedness and/or in performance of any obligation, covenant, promise or agreement herein mentioned, then Beneficiary may declare all sums secured hereby immediately due, and in such case, shall execute and deliver to Trustee a written Declaration of Default and Demand for Sale and shall surrender to Trustee this Deed of Trust, the note and receipts or other documents evidencing any expenditure secured hereby.

Thereafter there shall be recorded in the office of the recorder of the county or counties wherein said real property or some part thereof is situated, a notice of such breach or default and of election to sell or cause to be sold the herein described property to satisfy the obligations hereof.

2. After three months shall have elapsed following such recordation of said notice, Trustee, without demand on Trustor, shall sell said property as herein provided, having first given notice of the time and place of such sale in the manner and for a time not less than that required by the laws of the State of California for sales of real property under Deeds of Trust.

3. Trustee may postpone sale of all, or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time fixed by the preceding postponement; and without further notice it may make such sale at the time to which the same shall be so postponed, provided, however, that the sale or any postponement thereof must be made at the place fixed by the original notice of sale.

4. At the time of sale so fixed, Trustee may sell the property so advertised, or any part thereof, either as a whole or in separate parcels at its sole discretion, at public auction, to the highest bidder for cash in United States gold coin, all payable at time of sale, and after any such sale and due payment made, shall execute and deliver to such pur-

chaser a deed or deeds conveying the property so sold, but without covenant or warranty, express or implied, regarding title, possession or incumbrances. Trustor hereby agrees to surrender immediately and without demand possession of said property to such purchaser. The recitals, in such deed or deeds of any matters or facts affecting the regularity or validity of said sale, shall be conclusive proof of the truthfulness thereof and such deed or deeds shall be conclusive against all persons as to all matters or facts therein recited. Trustee, Beneficiary, any person on behalf of either, or any other person, may purchase at such sale. [257]

H. Trustee shall apply the proceeds of any such sale to payment of:

1. (a) Expenses of sale; (b) all costs, fees, charges and expenses of Trustee and of these Trusts, including cost of evidence of title and Trustee's fee in connection with sale.

2. All sums expended under the terms hereof, not then repaid, with accrued interest at the rate of 10 per cent per annum.

3. Accrued interest on said note.

4. Unpaid principal of said note; or if more than one, the unpaid principal thereof pro rata and without preference or priority; and

5. The remainder if any to the person or persons legally entitled thereto, upon proof of such right.

I. This Deed of Trust in all its parts applies to,

inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

J. Trustee accepts these Trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

WITNESS the hand of Trustor, the day and year first above written.

GRACE D. BARNES

State of California,
County of Los Angeles—ss.

On this 13th day of July, 1926, before me, M. C. Bond, a Notary Public in and for said County, personally appeared Grace D. Barnes, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same.

WITNESS my hand and official seal.

[Notarial Seal]

M. C. BOND

Notary Public in and for said County and State.

My commission expires August 28, 1926. [258]

The Trustee's fee, exclusive of posting, advertising and other expenses, in any ordinary sale of property in Los Angeles County will be based upon the following Schedule:

When Deed of Trust secures a sum:

Not exceeding	\$ 500.00.....	\$ 50.00
Over \$ 500.00 and not exceeding	750.00.....	75.00
Over 750.00 and not exceeding	1,000.00.....	100.00
Over 1,000.00 and not exceeding	2,000.00.....	150.00
Over 2,000.00 and not exceeding	3,500.00.....	200.00
Over 3,500.00 and not exceeding	5,000.00.....	250.00
Over 5,000.00 and not exceeding	7,500.00.....	300.00
Over 7,500.00 and not exceeding	10,000.00.....	350.00
and 2% of all amounts of principal exceeding		\$10,000.00

In all cases the note or notes, and this Deed of Trust, must be surrendered to the Trustee for cancellation when full or final reconveyance is requested, accompanied by the written request of the holder or holders of the note or notes for such reconveyance. In case of partial reconveyance, this Deed of Trust together with the note or notes secured hereby, must be presented to the Trustee for endorsement thereof.

A reasonable fee will be charged by the Trustee for each partial or full reconveyance, with a minimum fee of \$2.50 for full reconveyance and \$3.50 for each partial reconveyance.

NOTICE. If said real property, or any part thereof, be registered under the Land Title Law at any time when this Deed of Trust is to be presented or surrendered to Trustee for any purpose, then a duplicate or certified copy thereof shall be substituted for the registered original; and in the event

of recordation of a notice of breach or default and of election to cause said property to be sold, a duplicate original of said notice shall also be filed in the office of the Registrar of Titles of the same County or Counties in which said notice is recorded.

DEED OF TRUST

With Power of Sale

Grace D. Barnes

to

Security Trust & Savings Bank

As Trustee for

Stanley S. Anderson, et ux

Dated June 21, 1926

Security Trust & Savings Bank

Los Angeles, California

Recorder's Printed Form 53

154

Order No. 908362

When Recorded Please Mail to: Beverly Hills Branch, Security Trust & Savings Bank, Beverly Hills, Calif.

Escrow #2317

COMPARED: Docum., Wicks; Book, Perkins.

Recorded at Request of Title Insurance & Tr. Co., Jul 19, 1926 at 8:30 A.M. in Book 6258 Page 207 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

I certify that I have correctly transcribed this document in above mentioned book. #44 Bradbury, Copyist, County Recorder's Office, L. A. Co. 2.90—23 — 44

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [259]

PETITIONER'S EXHIBIT 29.
AGREEMENT FOR THE SALE OF
REAL ESTATE.

THIS AGREEMENT, made this 16th day of August, 1923, Between STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, his wife, the party of the first part, and PHILIP L. BIXBY the party of the second part.

WITNESSETH: that the said party of the first part in consideration of the covenants and agreements hereinafter contained and made by and on the part of the said party of the second part, agrees to sell and convey unto the said party of the second part, and the said party of the second part agrees to buy all that certain lot, piece or parcel of land situated in the County of Los Angeles, State of California, and bounded and particularly described as follows, to-wit:

A portion of the South half of fractional Section 10, and of the Southwest quarter of Section 11, Township 1 South, Range 15 West, San Bernardino Base and Meridian, being the land heretofore conveyed by Title Guarantee and Trust Company to Stanley S. Anderson and Marguerite S. Anderson, his wife, by deed dated December 6th, 1922, and recorded February 10th, 1923 in Book 1845 Page 197, Official Records Los Angeles County, Calif. which said deed is hereby referred to for a full and detailed description of said property, more particularly described as follows: [260]

Beginning at a point in the line between Sections 10 and 11, Township 1 South, Range 15 West, S.B. M., N. $0^{\circ}03'50''$ W., 760.29 feet from the Corner to Sections 10, 11, 14 and 15, said Township and Range, said corner being marked with a 4"x4" concrete monument, said point being further identified as the northwesterly extremity of Course No. 6 of the description of that 8.0900 acre parcel of land conveyed to C. E. Hoffman by the Title Guarantee and Trust Co. by deed dated Dec. 11th, 1922; thence

1. in reverse order along Courses Nos. 6, 5 and 4 of said description,

1-a, S. $22^{\circ}22'40''$ E., 72.10 feet to a 2" pipe;
thence

1-b, S. $40^{\circ}07'25''$ E., 57.33 feet to a 2" pipe;
thence

1-c, S. $77^{\circ}40'40''$ E., 82.77 feet to a 2" pipe. being the southwesterly extremity of Course No. 4-m of the description of a 8.1055 parcel of land conveyed to R. E. Fuller by the Title Guarantee and Trust Co. by deed dated Dec. 6th, 1922; thence

2. in reverse order along Courses Nos. 4-m to 4-a, inclusive, of said description,

2-a, N. $20^{\circ}45'30''$ E., 71.22 feet to the beginning of a curve concave to the west and tangent to this course; thence

2-b, along said curve with a central angle of $25^{\circ}-50'11''$, and a radius of 110.19 feet, 49.68

- feet to its point of tangency with the next succeeding course; thence
- 2-c, N. $5^{\circ}04'30''$ W., 24.76 feet to the beginning of a curve concave to the east and tangent to this course; thence
- 2-d, along said curve with a central angle of $19^{\circ}-24'10''$, and a radius of 350.96 feet, 118.85 feet to its point of tangency with the next succeeding course; thence
- 2-e, N. $14^{\circ}19'40''$ E., 39.69 feet to the beginning of a curve concave to the west and tangent to this course; thence [261]
- 2-f, along said curve with a central angle of $28^{\circ}-04'00''$ and a radius of 200.05 feet, 97.99 feet to its point of tangency with the next succeeding course; thence
- 2-g, N. $13^{\circ}44'20''$ W., 65.43 feet to a 2" pipe; thence
- 2-h, N. $58^{\circ}50'20''$ E., 148.96 feet to the beginning of a curve concave to the northwest and tangent to this course; thence
- 2-l, along said curve with a central angle of $24^{\circ}-10'30''$ and a radius of 233.14 feet, 98.35 feet to a point reverse of curvature; thence
- 2-j, along a curve concave to the southeast, tangent to the last mentioned curve with a central angle of $16^{\circ}23'40''$ and a radius of 416.31 feet, 119.18 feet to a point of compound curvature; thence
- 2-k, along a curve concave to the southeast, tangent to the last mentioned curve, with a

central angle of $19^{\circ}00'00''$ and a radius of 70.00 feet, 23.21 feet to a point of compound curvature; thence

2-l, along a curve concave to the South, tangent to the last mentioned curve with a central angle of $23^{\circ}21'55''$, and a radius of 264.18 feet, 107.37 feet to a point in the west line of the Benedict Canyon Road; thence

2-m, N, $53^{\circ}31'50''$ E., 20.00 feet to a point in the center line of the Benedict Canyon Road as shown on County Surveyor's Map No. 8207 on file in the office of the County Surveyor of Los Angeles County, said point being further identified as the northeasterly extremity of Course No. 4-a of said last mentioned description, and further identified as the median point of that certain curve with a radius of 400.00 feet described in Course No. 17 of the description of a 104.59 acre tract conveyed to George E. Read by the Title Guarantee and Trust Company by deed dated November 8th, 1922, and recorded in Book 1611 of Official Records of Los Angeles County, page 193; thence [262]

3. along said curve, concave to the northeast through an angle of $8^{\circ}01'10''$, 55.98 feet to its point of tangency with the next succeeding course; thence

4. N. $28^{\circ}27'00''$ W., 98.89 feet to the northwesterly extremity of Course No. 18 of said last mentioned description, said point being further identified as the southeasterly extremity of Course

No. 22 of the description of a 14.9959 acre tract conveyed to Stanley S. Anderson by the Title Guarantee and Trust Co. by deed recorded in Book 563 of Official Records of Los Angeles County, page 88; thence

5. along Courses Nos. 22 to 28 inclusive of said description,

5-a, N. $72^{\circ}57'30''$ W., 55.08 feet to the beginning of a curve concave to the south and tangent to this course; thence

5-b, along said curve with a central angle of $63^{\circ}03'50''$ and a radius of 122.48 feet, 134.80 feet to its point of tangency with the next succeeding course; thence

5-c, S. $43^{\circ}58'40''$ W., 40.31 feet to the beginning of a curve concave to the north and tangent to this course; thence

5-d, along said curve with a central angle of $23^{\circ}01'45''$ and a radius of 190.85 feet, 76.71 feet to its point of tangency with the next succeeding course; thence

5-e, S. $67^{\circ}00'25''$ W., 82.11 feet to the beginning of a curve concave to the north and tangent to this course; thence

5-f, along said curve with a central angle of $71^{\circ}13'35''$ and a radius of 143.19 feet, 178.00 feet to its point of tangency with the next succeeding course; thence

5-g, N. $41^{\circ}46'00''$ W., 27.91 feet to a point in the section line between Sections 10 and 11, aforementioned township and range, N. 0° -

03'50" W., 1429.88 feet from the common corner to Sections 10, 11, 14 and 15; thence [263]

6. N. 39°42'30" W., 34.20 feet along Course No. 29 of said last mentioned description to the north-westerly extremity of Course No. 3-h of the description of that 84.804 acre tract conveyed to Van B. Foster by the Title Guarantee and Trust Co. by deed dated Jan. 5th, 1923; thence

7. in reverse order along Courses 3-h to 3-a of said description,

7-a, S. 48°14'00" W., 1.23 feet to the beginning of a curve concave to the southeast, tangent to a line bearing N. 41°46'00" W., and normal to this course; thence

7-b, along said curve with a central angle of 153°-39'30", and a radius of 30.00 feet, 80.45 feet to a point; thence

7-c, along a line normal to the last mentioned curve, S. 74°34'30" W., 20.00 feet to a 2" pipe; thence

7-d, S. 1°13'15" E., 36.84 feet to a 2" pipe; thence

7-e, S. 4°24'50" W., 175.52 feet to a 2" pipe, thence

7-f, S. 31°07'40" W., 46.09 feet to a 2" pipe; thence

7-g, S. 36°48'40" W., 202.13 feet to a 2" pipe; thence

7-h, S. 52°32'50" W., 24.64 feet to a 2" pipe, being the northeasterly extremity of Course No. 8 of the description of the 8.0900 acre tract conveyed to C. E. Hoffman before mentioned; thence

8. in reverse order along Courses Nos. 8 and 7 of said description,

8-a, S. $54^{\circ}35'15''$ E., 296.00 feet to a 2" pipe; thence

8-b, S. $25^{\circ}51'00''$ E., 69.69 feet to the point of beginning containing 7.0197 acres.

SUBJECT to conditions, restrictions, reservations and rights of way of record. [264]

for the sum of Forty-two Thousand (\$42,000.00) Dollars, lawful money of the United States, and the said party of the second part, in consideration of the premises, agrees to buy and pay the said sum of Forty-two Thousand (\$42,000.00) Dollars, as follows, to-wit:

Fourteen Thousand (\$14,000.00) Dollars upon execution and delivery of this Agreement, receipt of which is hereby acknowledged, and the further sum of Fourteen Thousand (\$14,000) or more dollars, on or before the 16th day of August, 1924, and Fourteen Thousand (\$14,000) Dollars or more dollars, on or before the 16th day of August, 1925, together with interest at the rate of seven per cent per annum, payable quarterly.

All payments of principal and interest to be paid at First National Bank, Beverly Hills, Calif.

And the said party of the second part agrees to pay all District, City, State and County Taxes or Assessments of whatsoever nature which are now or may hereafter become due on the premises herein described, those now due to be pro rated from date hereof.

IT IS UNDERSTOOD AND AGREED, That time is of the essence of this Contract, and in the event of failure to comply with the terms hereof, by said party of the second part, then the said party of the first part shall be released from all obligations in law and equity, to convey said property, and the said party of the second part shall forfeit all right thereto and to all money theretofore paid under this Con- [260] tract; but the said parties of the first part on receiving the full payments, at the time and in the manner above mentioned, agree to deliver to the said party of the second part a Guarantee of Title, issued by the TITLE GUARANTEE AND TRUST COMPANY of Los Angeles, California, showing the title to said property to be vested in grantors or their assigns free of incumbrances, except conditions, reservations and restrictions contained in said deed recorded in Book 1845 Page 197 Official Records Los Angeles County, to all of which conveyance shall be subject, and to execute and deliver to the said party of the second part or his assigns a good and sufficient deed of grant, bargain and sale.

IN WITNESS WHEREOF, The parties hereto have set their hands the day and year first above written.

STANLEY S. ANDERSON
MARGUERITE S. ANDERSON
PHILIP L. BIXBY

Signed and Delivered in the presence of

.....

State of California,
County of Los Angeles—ss.

On this.....day of....., 19.....
before me....., a Notary
Public in and for said County and State, residing
therein, duly commissioned and sworn, personally
appeared, known to me to
be the person.....described in and who executed the
within instrument, and acknowledged to me that
.....he.....executed the same.

IN WITNESS WHEREOF, I have hereunto set
my hand and affixed my official seal, the day and
year in this certificate first above written.

.....
Notary Public in and for said County and State.

No.....

AGREEMENT FOR THE SALE OF
REAL ESTATE

Stanley S. Anderson *at al.*

to

Philip L. Bixby

Dated August 16th, 1923

Title Guarantee and Trust Company

Paid up Capital and Surplus over

Two Million Dollars

Title Guarantee Building

Los Angeles, California

Order No.....

When recorded, please mail to

.....
.....

[Printer's Note]: As the printed form on the reverse of the preceding exhibit has not been filled in, the same is not set forth in printed record.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932. [266]

KNOW ALL MEN BY THESE PRESENTS

That the SECURITY TRUST & SAVINGS BANK, a corporation duly organized and existing under the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, does hereby certify and declare that a certain mortgage, bearing date the 16th day of July, 1923 made and executed by Stanley S. Anderson and Marguerite S. Anderson Mortgagor, to SECURITY TRUST & SAVINGS BANK, Mortgagee, and recorded on the 31st day of July, 1923 in book 2757, page 4 of Official Records of Los Angeles County, California, together with the debt thereby secured, is fully paid, satisfied and discharged.

In Witness Whereof, The said Security Trust & Savings Bank has caused these presents to be duly signed by its Vice-President and Assistant Secretary and has caused its corporate seal to be hereunto affixed this 23rd day of November, 1927.

[Seal] SECURITY TRUST & SAVINGS
BANK

By E. F. Consigny,

Vice-President,

F. N. Benham,

Assistant Secretary.

State of California,
County of Los Angeles.—ss.

On this 23rd day of November, 1927 19....., before me, T. F. Linhart a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared E. F. Consigny known to me to be the Vice-President, and F. N. Benham known to me to be the Assistant Secretary of the SECURITY TRUST & SAVINGS BANK, the corporation that executed the within and foregoing instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Notarial Seal] T. F. LINHART,
Notary Public in and for the County of Los Angeles,
State of California. [267]

Security Trust & Savings Bank

Los Angeles, Cal.

to

Stanley S. Anderson and Marguerite S. Anderson

SATISFACTION OF MORTGAGE

Dated November 23, 1927.

1361

Order No.

When recorded please mail this instrument to
Stanley S. Anderson, Beverly Hills, Calif.

Compared. Read by, Stager. Document, Nelson.

Recorded Nov. 29 1927 19 min. past 10 A. M. in

Book 7078 at page 74 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Mortgagor.

I certify that I have correctly transcribed this document in above mentioned book. H. E. Holzner #169 Copyist County Recorder's Office, L. A. County, Cal. [268]

THIS MORTGAGE, Made the sixteenth day of July, 1923, By STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, his wife, of the County of Los Angeles, State of California, hereinafter called the Mortgagor, to the SECURITY TRUST & SAVINGS BANK, a corporation duly organized under the laws of the State of California, and having its principal place of business at the City of Los Angeles (which fact is hereby expressly admitted), Mortgagee;

Witnesseth: That the Mortgagor hereby mortgages to the Mortgagee all that certain real property, situate in the City of Beverly Hills, County of Los Angeles, State of California, and particularly described as follows:

Lots One (1) and Two (2) in Block Two (2) of Beverly, in the City of Beverly Hills, County of Los Angeles, State of California, as per map recorded in Book 11 Page 94 of Maps, in the office of the County Recorder of said County. [269]

Including all buildings and improvements thereon or that may be erected thereon; together with all

and singular the tenements, hereditaments and appurtenances, easements, right-of-ways, water and water rights, pipes, flumes and ditches thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; for the purpose of securing the faithful performance of all the covenants, agreements and conditions herein set forth, and the performance of the promises and obligations of this mortgage and payment of the indebtedness evidenced by one promissory note (and any renewal or extension thereof) in words and figures as follows:

\$30,000.00 Los Angeles, California, July 16, 1923.

On July 16, A. D., 1926, after date, and for value received, we, jointly and severally, promise to pay to the SECURITY TRUST & SAVINGS BANK, or order, at its Head Office, Fifth and Spring Sts., in the City of Los Angeles, California, the sum of Thirty Thousand Dollars, with interest from date until paid at the rate of seven per cent. per annum, payable quarterly. Should the interest not be so paid, it shall become a part of the principal and thereafter bear like interest as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. Principal and interest payable in Gold Coin of the United States. This note is

secured by a mortgage of even date herewith upon real property.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

(U. S. Int. Rev. stamps \$6.00 cancelled.)

The Mortgagor agrees to pay, as soon as due, all taxes, assessments and incumbrances, which may be, or appear to be, liens upon said property or any part thereof, including taxes levied or assessed upon this mortgage or upon the debt secured hereby, and hereby waives all right to treat the payment of such taxes or assessments as a payment on the debt hereby secured or as being to any extent a discharge thereof; and the Mortgagor agrees to keep said buildings insured against fire, to the amount required by and in such insurance companies as may be satisfactory to the Mortgagee, and to assign the policies therefor to the Mortgagee; and to pay and settle promptly (or cause to be removed by suit or otherwise) all adverse claims against said property.

In case said taxes, assessments or incumbrances so agreed to be paid by the Mortgagor be not so paid, or said buildings so insured, and said policies so assigned, or said adverse claims so paid, settled or removed, then the Mortgagee, being hereby made the sole judge of the legality thereof, may, without notice to the Mortgagor, pay such taxes, assessments, or incumbrances, obtain such policies of insurance in its own name as Mortgagee, and pay or settle any or all such adverse claims or cause the same to be removed by suit or otherwise.

In the event of a loss under said policies of fire

insurance, the amount collected thereon shall be credited, at the option of the holder of this mortgage; first, either to the interest due, if any, upon said indebtedness, and/or to the repayment of any advances hereunder, and the remainder, if any, upon the principal sum of the note secured hereby, and interest shall thereupon cease on the amount so credited, or second, to be used in replacing or restoring the improvements partially or totally damaged, to a condition satisfactory to said Mortgagee.

The Mortgagor agrees to keep said property in good condition and repair and to permit no waste thereof, and should said property, or any part thereof, require any inspection, repair, cultivation, irrigation or protection, other than that provided by the Mortgagor, then the Mortgagee, being hereby made the sole judge of the necessity thereof, and without notice to the Mortgagor, may enter, or cause entry to be made, upon said property, and inspect, repair, cultivate, irrigate or protect said property as it may deem necessary. All sums expended by the Mortgagee in doing any or all of the things authorized in this mortgage, shall be secured hereby and shall be paid to the Mortgagee by the Mortgagor in said gold coin, on demand, together with interest from the date of payment, at the same rate of interest (compounded monthly until repaid) as is provided to be paid in the note hereinbefore set out.

The Mortgagor promises to pay said note according to the terms and conditions thereof; and in case of default in the payment of the same, or of

any installment of interest thereon when due, or in the performance of any of the covenants or agreements herein contained on the part of the Mortgagor, the whole sum of money then secured by this mortgage shall become immediately due and payable at the option of the holder of said note, and this mortgage may thereupon, or at any time during such default, be foreclosed, and the filing of the complaint in foreclosure shall be conclusive of the exercise of such option by the Mortgagee without any further notice thereof to said Mortgagor.

In case any action be brought to foreclose this mortgage, or the Mortgagee institute, intervene, join or defend any action affecting this mortgage or the property securing the same or any of its rights as such Mortgagee, then and in any or all of such cases, the Mortgagor agrees to pay all costs and expenses thereof, including a reasonable sum, to be fixed by the Court, as attorney's fees, whether suit progress to judgment or not; also such sums as the Mortgagee may pay for searching the title to the mortgaged property subsequent to the date of record of this mortgage, or for surveying said property and said attorney's fees; and all sums so paid or expended shall become due upon filing of the complaint, or appearing in any such action, shall be secured hereby, and shall be repaid to the Mortgagee in said gold coin.

In any such action to foreclose this mortgage, a Receiver shall, upon application of the plaintiff therein and as a matter of right, and without notice to the Mortgagor, be appointed by the Court to

take charge of said property, to receive and collect the rents, issues and profits thereof, and apply them to the payment of the taxes, which may be due or become due during the pendency of this action and until sale be finally made, the costs, commissions of the receiver and his attorney's fees, in a reasonable sum to be fixed by the Court, and any deficiency on the obligations secured by this mortgage which may remain after the property shall have been sold and the proceeds thereof applied on the judgment secured in such foreclosure. [270]

It is also agreed that should this mortgage be foreclosed, then in the decree of foreclosure entered in such action, the property described therein may be ordered sold en masse—or as one lot or parcel—and not as several parcels, at the exclusive option of the Mortgagee.

And also, that the Mortgagee may at any time, without notice, release portions of said mortgaged premises from the lien of this mortgage without affecting the personal liability of any person for the payment of the said indebtedness or the lien of this mortgage upon the remainder of the mortgaged premises, for the full amount of said indebtedness then remaining unpaid.

With the consent and acceptance of the Mortgagor, but not otherwise, this mortgage and the debt secured thereby may be satisfied and discharged at any time after one year from date hereof, and before maturity, upon payment of principal, accrued interest to date of payment, advances, if any, and a bonus of three months' unearned in-

terest, provided there is then existing no default of any of the terms and provisions of this mortgage or the note which it secures.

The Mortgagor also hereby covenants and agrees that if, during the life of this mortgage, proceedings be instituted for the registration of the hereinabove described land under the "Land Title Law," approved by the electors of California, and in effect December 19th, 1914, and any amendments thereof, or any other law governing the registration of titles to land, the Mortgagor will pay any sum or sums expended by the Mortgagee or its assigns in protecting its interests under this mortgage, including a reasonable attorney's fee, whether appearance be made in the action or proceeding to so register said land or not, the said Mortgagee and its assigns being hereby made the sole judge of the necessity of incurring said expense and attorney's fee, and of the amount thereof. Any and all certificates or other evidence of title to said property shall be forthwith delivered to the Mortgagee to be held by it during the life of this mortgage.

In this instrument the masculine gender includes the feminine, and the singular number includes the plural whenever the context so requires; the words "Promissory Note" include all promissory notes or other evidence of indebtedness hereinbefore set forth for which this mortgage is intended to be security.

It is understood that there are no agreements or promises as to this mortgage, except as herein stated.

The Mortgagor also hereby mortgages the property hereinbefore described, to secure every promise and agreement therein contained, direct or conditional, and guarantees and affirms that said property is now free from any secret equities, trusts or incumbrances made or suffered by, or known to, said Mortgagor.

Every stipulation, agreement and appointment herein in favor of said Mortgagee, shall apply and inure to the benefit of its successors or assigns.

Witness: The hands and seals of said Mortgagor the day and year first above written.

[Seal] STANLEY S. ANDERSON

[Seal] MARGUERITE S. ANDERSON

State of California,
County of Los Angeles.—ss.

On this 24th day of July, 1923, before me, O. N. Beasley a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared Stanley S. Anderson and Marguerite S. Anderson his wife known to me to be the persons whose names are subscribed to the foregoing instrument, and they acknowledge to me that they executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

[Notarial Seal] O. N. BEASLEY,
Notary Public in and for the County of Los Angeles,
State of California. [271]

31840

MORTGAGE

Individual

Stanley S. Anderson et ux
to

Security Trust & Savings Bank
Los Angeles, Calif.

Dated July 16, 1923.

295

Order No. 685633

When recorded please mail this instrument to Loan Dept. Head Office Security Trust & Savings Bank, Fifth and Spring Streets, Los Angeles, Calif.

Compared. Read by Blake. Document Edwards.

Recorded at request of Title Insurance & Tr. Co. Jul 31 1923 at 8:30 A. M. in Book 2757 Page 4 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder,

I certify that I have correctly transcribed this document in above mentioned book. #53 H. Fairman, Copyist, County Recorder's Office, L. A. Co., Cal. 2.50/20 [272]

[Endorsed]: Beverly Hills Branch Security Trust & Savings Bank 1 Paid 1 Nov 23 1927 Note Dept.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932.

PETITIONER'S EXHIBIT 31.

KNOW ALL MEN BY THESE PRESENTS

That the SECURITY TRUST & SAVINGS BANK, a corporation duly organized and existing under the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, does hereby certify and declare that a certain mortgage, bearing date the 31st. day of January, 1924 made and executed by Stanley S. Anderson and Marguerite S. Anderson, his wife, of the City of Beverly Hills, County of Los Angeles, State of California Mortgagor, to SECURITY TRUST & SAVINGS BANK, Mortgagee, and recorded on the 19th day of February, 1924 in book 3592, page 297 of Official Records of Los Angeles County, California, together with the debt thereby secured, is fully paid, satisfied and discharged.

In Witness Whereof, The said Security Trust & Savings Bank has caused these presents to be duly signed by its Vice-President and Assistant Secretary and has caused its corporate seal to be hereunto affixed this 8th day of February, 1927.

[Seal] SECURITY TRUST & SAVINGS
BANK

By E. F. Consigny,

Vice-President,

By F. N. Benham,

Assistant Secretary.

State of California,
County of Los Angeles.—ss.

On this 8th day of February 1927, before me, T. F. Linhart a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared E. F. Consigny known to me to be the Vice-President, and F. N. Benham known to me to be the Assistant Secretary of the SECURITY TRUST & SAVINGS BANK, the corporation that executed the within and foregoing instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal] T. F. LINHART,
Notary Public in and for the County of Los Angeles,
State of California.

My Commission expires February 17, 1930. [273]

Security Trust & Savings Bank

Los Angeles, Cal.

to

Stanley S. Anderson et ux.

SATISFACTION OF MORTGAGE

Dated February 8th 1927.

1263 Order No.

When recorded please mail this instrument to Stanley S. Anderson, Beverly Hills, Calif.

Compared. Document, Whitney. Book, Stein.

Recorded Feb 15 1927 51 min. past 9 A. M. in Book 6132 at page 358 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Mortgagor.

I certify that I have correctly transcribed this document in above mentioned book. Anna Mannheim. Copyist County Recorder's office, L. A. County, Cal. 1.00/4 [274]

THIS MORTGAGE, Made the Thirty-first day of January, 1924, By STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, his wife, of the City of Beverly Hills, County of Los Angeles, State of California, hereinafter called the Mortgagor, to the SECURITY TRUST & SAVINGS BANK, a corporation duly organized under the laws of the State of California, and having its principal place of business in the City of Los Angeles, California (which fact is hereby expressly admitted), Mortgagee;

WITNESSETH: That the Mortgagor hereby mortgages to the Mortgagee all that certain real property, situate in the City of Beverly Hills, County of Los Angeles, State of California, and particularly described as follows:

Lot One (1) in Block Three (3) of Beverly, as per map recorded in Book 11 Page 94 of Maps, in the office of the County Recorder of said County.

Including all buildings and improvements thereon or that may be erected thereon; together with all and singular the tenements, hereditaments and appurtenances, easements, right-of-ways, water and water rights, wells, pumping stations, engines and appliances, pipes, flumes and ditches thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; for the purpose of securing the faithful performance of all the covenants, agreements and conditions herein set forth, and the performance of the promises and obligations of this mortgage and payment of the indebtedness evidenced by one promissory note (and any renewal or extension thereof) in words and figures as follows:

Los Angeles, California,

\$45,000.00

January 31st, 1924

On January 31st, A.D., 1927 after date, and for value received, we, jointly and severally promise to pay to the SECURITY TRUST & SAVINGS BANK, of Los Angeles, or order at its Head Office, Fifth and Spring Streets, in the City of Los Angeles, California, the sum of Forty-five Thousand Dollars, with interest from date until paid at the rate of seven per cent. per annum, payable quarterly. Should the interest not be so paid, it shall become part of the principal and thereafter bear like interest as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest

shall become immediately due and payable at the option of the holder of this note. Principal and interest payable in Gold Coin of the United States of the present standard. This note is secured by a mortgage of even date herewith upon real property.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

Revenue Stamps in the amount of
\$9.00 affixed and cancelled.

The Mortgagor agrees to pay, as soon as due, all taxes, assessments and incumbrances, which may be, or appear to be, liens upon said property or any part thereof, including taxes levied or assessed upon this mortgage or upon the debt secured hereby, and hereby waives all right to treat the payment of such taxes or assessments as a payment on the debt hereby secured or as being to any extent a discharge thereof; and the Mortgagor agrees to keep said buildings insured against fire, to the amount required by and in such insurance companies as may be satisfactory to the Mortgagee, and to assign the policies therefor to the Mortgagee; and to pay and settle promptly (or cause to be removed by suit or otherwise) all adverse claims against said property.

In case said taxes, assessments or incumbrances so agreed to be paid by the Mortgagor be not so paid, or said buildings so insured, and said policies so assigned, or said adverse claims so paid, settled or removed, then the Mortgagee, being hereby made the sole judge of the legality thereof, may, without no-

tice to the Mortgagor, pay such taxes, assessments, or incumbrances, obtain such policies of insurance in its own name as Mortgagee, and pay or settle any or all such adverse claims or cause the same to be removed by suit or otherwise.

In the event of a loss under said policies of fire insurance, the amount collected thereon shall be credited at the option of the holder of this mortgage; first, either to the interest due, if any, upon said indebtedness, and the remainder, if any, upon the principal sum, and interest shall thereupon cease on the amount so credited on said principal sum, or second, to be used in replacing or restoring the improvements partially or totally damaged, to a condition satisfactory to said Mortgagee.

The Mortgagor agrees to keep said property in good condition and repair and to permit no waste thereof, and should said property, or any part thereof, require any inspection, repair, cultivation, irrigation or protection, other than that provided by the Mortgagor, then the Mortgagee, being hereby made the sole judge of the necessity thereof, and without notice to the Mortgagor, may enter, or cause entry to be made, upon said property, and inspect, repair, cultivate, irrigate or protect said property as it may deem necessary.

All sums expended by the Mortgagee in doing any or all of the things authorized in this mortgage, shall be secured hereby and shall be paid to the Mortgagee by the Mortgagor in said gold coin, on demand, together with interest from the date of payment, at the same rate of interest (compounded monthly until repaid) as is provided to be paid in the note hereingbefore set out.

The Mortgagor promises to pay said note according to the terms and conditions thereof; and in case of default in the payment of the same, or of any installment of interest thereon when due, or in the performance of any of the covenants or agreements herein contained on the part of the Mortgagor, the whole sum of money then secured by this mortgage shall become immediately due and payable at the option of the holder of said note, and this mortgage may thereupon, or at any time during such default, be foreclosed, and the filing of the complaint in foreclosure shall be conclusive of the exercise of such option by the Mortgagee without any other or further notice thereof to said Mortgagor.

In case any action be brought to foreclose this mortgage, or the Mortgagee institute, intervene, join or defend any action affecting this mortgage or the property securing the same or any of its rights as such Mortgagee, then and in any or all of such cases, the Mortgagor agrees to pay all costs and expenses thereof, including a reasonable sum, to be fixed by the Court, as attorney's fees, whether suit progress to judgment or not; also such sums as the Mortgagee may pay for searching the title to the mortgaged property subsequent to the date of record of this mortgage, or for surveying said property and said attorney's fees; and all sums so paid or expended shall become due upon filing of the complaint, or appearing in any such action, shall be secured hereby, and shall be repaid to the Mortgagee in said gold coin.

In any such action to foreclose this mortgage, a

Receiver shall, upon application of the plaintiff therein and as a matter of right, and without notice to the Mortgagor, be appointed by the Court to take charge of said property, to receive and collect the rents, issues and profits thereof, and apply them to the payment of the taxes, which may be due or become due during the pendency of this action and until sale be finally made, the costs, commissions of the receiver and his attorney's fees, in a reasonable sum to be fixed by the Court, and any deficiency on the obligations secured by this mortgage which may remain after the property shall have been sold and the proceeds thereof applied on the judgment secured in such foreclosure. [276]

It is also agreed that should this mortgage be foreclosed, then in the decree of foreclosure entered in such action, the property described therein may be ordered sold *en masse*—or as one lot or parcel—and not as several parcels, at the exclusive option of the Mortgagee.

And also that the Mortgagee may at any time, without notice, release portions of said mortgaged premises from the lien of this mortgage without affecting the personal liability of any person for the payment of the said indebtedness or the lien of this mortgage upon the remainder of the mortgaged premises, for the full amount of said indebtedness then remaining unpaid.

This mortgage and the debt secured thereby may be satisfied and discharged at any time after one year from date hereof, and before maturity, upon payment of principal, accrued interest to date of

payment, advances, if any, and ninety days' unearned interest, provided there is then existing no default of any of the terms and provisions of this mortgage or the note which it secures.

The Mortgagor also hereby covenants and agrees that if, during the life of this mortgage, proceedings be instituted for the registration of the hereinabove described land under the "Land Title Law," approved by the electors of California, and in effect December 19th, 1914, and any amendments thereof, or any other law governing the registration of titles to land, the Mortgagor will pay any sum or sums expended by the Mortgagee or its assigns in protecting its interests under this mortgage, including a reasonable attorney's fee, whether appearance be made in the action or proceeding to so register said land or not, the said Mortgagee and its assigns being hereby made the sole judge of the necessity of incurring said expense and attorney's fee, and of the amount thereof. Any and all certificates or other evidence of title to said property shall be forthwith delivered to the Mortgagee to be held by it during the life of this mortgage.

In this instrument the masculine gender includes the feminine, and the singular number includes the plural whenever the context so requires; the words "Promissory Note" include all promissory notes or other evidence of indebtedness hereinbefore set forth for which this mortgage is intended to be security.

It is understood that there are no agreements or promises as to this mortgage, except as herein stated.

The Mortgagor also hereby mortgages the property hereinbefore described, to secure every promise and agreement therein contained, direct or conditional, and guarantees and affirms that said property is now free from any secret equities, trusts or incumbrances made or suffered by, or known to, said Mortgagor.

Every stipulation, agreement and appointment herein in favor of said Mortgagee shall apply and inure to the benefit of its successors or assigns.

Witness: The hands and seals of said Mortgagors the day and year first above written.

[Seal] STANLEY S. ANDERSON

[Seal] MARGUERITE S. ANDERSON

State of California,
County of Los Angeles.—ss.

On this fourth day of February, 1924, before me, M. C. Bond a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared Stanley S. Anderson and Marguerite S. Anderson, husband and wife known to me to be the persons whose names are subscribed to the foregoing instrument, and they acknowledged to me that they executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

[Notarial Seal] M. C. BOND,

Notary Public in and for the County of Los Angeles,
State of California.

My Commission expires August 28, 1926. [277]

33053

MORTGAGE

Individual

Stanley S. Anderson, et ux,

to

Security Trust & Savings Bank

Los Angeles, Calif.

Dated January 31st, 1924.

336

Order No. 33218

When recorded please mail this instrument to Head Office Security Trust & Savings Bank, Fifth and Spring Streets, Los Angeles, Calif.

Compared. Read by Strobel. Document, Elliott.

Recorded at request of Title Insurance & Tr. Co. Feb 19 1924 at 8:30 A. M. in Book 3592 Page 297 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

I certify that I have correctly transcribed this document in above mentioned book. G. C. Lindstrom, Copyist, County Recorder's Office, L. A. Co., Cal. #63 2.50/20 [278]

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932.

PETITIONER'S EXHIBIT 32.

FOR A VALUABLE CONSIDERATION the undersigned hereby assigns to COMMERCIAL BUILDING AND FINANCE CORPORATION, a corporation, the mortgage executed by STANLEY S. ANDERSON and MARGUERITE S.

ANDERSON, husband and wife, recorded November 5, 1925, in Book 4156 Page 355 of Official Mortgage Records in the office of the Recorder of Los Angeles County, California, together with the note secured thereby.

IN WITNESS WHEREOF, the undersigned has caused its corporate name and seal to be affixed by its President and Secretary thereunto duly authorized.

Dated October 21, 1925.

HOLLYWOOD HOLDING AND
DEVELOPMENT CORP.

By C. E. Toberman, President

By Parker V. Foster, Secretary.

State of California,
County of Los Angeles.—ss.

On this 3rd day of November 1925 before me Agnes Erne a Notary Public in and for said County, personally appeared C. E. Toberman known to me to be the President, and Parker V. Foster known to me to be the Secretary of the Corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

Witness my hand and official seal.

[Seal]

AGNES ERNE

Notary Public in and for the County of Los Angeles,
State of California.

My Commission expires Oct. 16, 1929. [279]

ASSIGNMENT OF MORTGAGE

Corporation

Hollywood Holding and Development Corp.

to

Commercial Building and Finance Corporation.

October 21, 1925.

California Title Insurance Co.

Capital Paid Up \$1,000,000.00

Merged with

Los Angeles Title Insurance Co.

Incorporated Aug. 21, 1890

626 South Spring Street

Los Angeles, Cal.

1644

Order No.

Your Escrow No.....

When recorded please mail to Commercial Building and Finance Corporation, 6763 Hollywood Blvd., Hollywood, Calif.

Compared. Read by Nelson. Document, Wicks.

Recorded Nov 5 1925 9 min. past 2 P. M. in Book 5411 at Page 169 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Assignee. #165

I certify that I have correctly transcribed this document in above mentioned book. E. E. Masters, Copyist, Recorder's Office, L. A. Co., Cal. 70/3 [280]

FOR A VALUABLE CONSIDERATION the undersigned hereby assigns to Hugo C. Boorse and Gerda Winner Boorse, as joint tenants with right

ASSIGNMENT OF MORTGAGE

Corporation

Commercial Building and Finance Corporation

to

Hugo C. Boorse & Gerda Winner Boorse, as joint
tenants with right of survivorship

January 26, 1926

California Title Insurance Co.

Capital Paid Up \$1,000,000

Merged with

Los Angeles Title Insurance Co.

Incorporated Aug. 21, 1890

626 South Spring Street

Los Angeles, Cal.

Order No.....

1080

Your Escrow No.....

When recorded please mail to

Commercial Bldg. & Finance Corp.

6763 Hollywood Blvd., Hollywood, Calif.

Compared: Document, Austin; Book, Embree.

Recorded Feb. 1, 1926, 37 min. past 1 P.M., in
Book 5727 at page 187 of Official Records, Los An-
geles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Assignee.

I certify that I have correctly transcribed this
document in above mentioned book. C. Fletcher,
Copyist, County Recorder's Office, L. A. Co., Cal.

80/3

36

[282]

IN CONSIDERATION of the payment of the
debt secured by the mortgage executed by Stanley
S. Anderson and Marguerite S. Anderson recorded
November 5th, 1924 in Book 4156, Page 355 of

Official—Mortgage Records, in the office of the Recorder of Los Angeles County, California, the undersigned hereby releases the property described in said mortgage from the lien thereof.

Dated November 4th, 1927.

HUGO C. BOORSE

GERDA WINNER BOORSE

State of California,
County of Los Angeles—ss.

On this 4th day of November, 1927 before me, Agnes Erne, a Notary Public in and for said County, personally appeared Hugo C. Boorse and Gerda Winner Boorse, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

Witness my hand and seal.

AGNES ERNE

Notary Public in and for the County of Los Angeles, State of California. My Commission expires Oct. 16, 1929. [283]

Please write the name and address on the back of each document you want returned by mail.

No.....

RELEASE

Individual

Hugo C. Boorse and Gerda Winner Boorse
to

Stanley S. Anderson and Marguerite S. Anderson

November 4th, 1927

California Title Insurance Co.

Capital Paid Up \$1,000,000

Merged with

Los Angeles Title Insurance Co.

Incorporated Aug. 21, 1890

626 South Spring Street, Los Angeles, Cal.

Please write the name and address on the back of each document you want returned by mail.

Order No.....

1272

Your Escrow No.....

When recorded please mail to

E. P. Adams, 601 Central Bldg., 108 W. 6th St., L. A.

Recorded Nov. 23, 1927 18 min. past 10 A.M. in Book 7944 at page 384 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Mortgagor.

I certify that I have correctly transcribed this document in above mentioned book. W. Shea, Copyist, County Recorder's Office, L. A. County, Cal.

Compared: Read by Stamper. Document Whaley.

PETITIONER'S EXHIBIT 32

THIS MORTGAGE, Made November 1, 1924,
By STANLEY S. ANDERSON and MARGUER-
ITE S. ANDERSON, husband and wife, of Beverly
Hills, California, hereinafter called Mortgagor,

To HOLLYWOOD HOLDING & DEVELOP-
MENT CORPORATION, a corporation of the
State of Delaware, hereinafter called Mortgagee,

WITNESSETH: That Mortgagor hereby mort-
gages to Mortgagee, the real property in the City of
Los Angeles, County of Los Angeles, State of Cali-
fornia, described as

Lots Three Hundred Fifty-nine (359) and Three
Hundred Sixty (360) of Tract Number 7615, as per
map recorded in Book 85, Pages 15, 16 and 17, of
Maps, in the office of the County Recorder of said
Los Angeles County.

including all buildings and improvements thereon
(or that may hereafter be erected thereon); together
with all and singular the tenements, hereditaments
and appurtenances, water and water rights, pipes,
flumes, ditches and other rights thereunto belonging
or in any wise now or hereafter appertaining there-
to, and the reversion and reversions, remainder and
remainders, rents, issues and profits thereof. [285]

For the purpose of Securing

First: Payment of the indebtedness evidenced
by one promissory note (and any renewal of ex-
tension thereof) in form as follows:

Los Angeles, California,

\$20,000.00

November 1, 1924.

Three (3) years after date, for value received,

I, we, or either of us promise to pay to HOLLYWOOD HOLDING & DEVELOPMENT CORPORATION or order, at 6763 Hollywood Boulevard, Hollywood, California, the sum of Twenty Thousand and No/100 Dollars, with interest thereon from date hereof until paid, at the rate of seven (7) per cent. per annum, payable quarterly. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest therewith. Should default be made in payment of interest when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and interest payable in United States gold coin. This note is secured by a mortgage upon real property.

(Signed) STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

The makers of this note reserve the right to pay the entire principal hereof at any time prior to maturity by paying in addition thereto ninety (90) days unearned interest, together with the accrued interest to date of such payment. Such accrued and bonus interest, added to interest already paid, not to exceed interest for entire period of note.

Second: Payment of attorney's fees, in a reasonable sum to be fixed by the Court and all costs and expenses in any action brought to foreclose this mortgage or any action or proceeding affecting the rights either of Mortgagor or Mortgagee in said real property, whether such action or proceeding progress to judgment or not; also such sums as

Mortgagee may pay for examination of title to, or for surveying, the mortgaged property, all of which sums, including said attorney's fees, Mortgagor agrees to pay, and the same are hereby declared a lien upon said property and are secured hereby.

Third: Performance of every obligation, covenant, promise or agreement herein contained, direct or conditional, and repayment as herein provided of all sums advanced or expended by Mortgagee under the terms hereof.

A. 1. Mortgagor agrees to pay, when due, all taxes, assessments and incumbrances, which are or appear to be liens upon said property or any part thereof, including taxes, if any levied under the law of said State, upon this mortgage or the debt secured hereby, and hereby waives all right to treat payment of such taxes as a payment on such debt or as being to any extent a discharge thereof; Mortgagor also agrees to keep said buildings insured against fire, to the amount required by, and in insurance companies satisfactory to Mortgagee, and to assign the policies therefor to Mortgagee; and promptly to pay and settle (or cause to be removed by suit or otherwise) all adverse claims against said property.

2. In case said taxes, assessments, or incumbrances so agreed to be paid by Mortgagor be not so paid, or said buildings so insured and said policies so assigned, or said adverse claims so paid, settled or removed, then Mortgagee, being hereby made sole judge of the legality thereof, may, without notice to Mortgagor, pay such taxes, assessments or incumbrances, obtain such policies of insurance and

pay or settle or cause to be removed by suit or otherwise all such adverse claims.

3. In the event of loss under said policies of fire insurance, the amount collected thereon shall be credited first to interest then due upon said indebtedness, next upon any advances secured hereby and the remainder, if any, may, at the option of Mortgagee, be applied and credited upon principal, in which case interest shall thereupon cease on the amount so credited on principal; or at the option of Mortgagee, said remainder may be released to Mortgagor for the purpose of making repairs or improvements upon said property, in which case Mortgagee shall not be obliged to see to the application of the sum so released, nor shall said remainder be deemed a payment of any indebtedness secured hereby.

B. Mortgagor agrees to keep said property in good condition and repair and to permit no waste thereof, and should said property, or any part thereof, require any inspection, repair, cultivation, irrigation, protection, care or attention of any kind or nature not provided by Mortgagor, then Mortgagee, being hereby made sole judge of the necessity therefor, may, without notice to Mortgagor, enter, or cause entry to be made upon said property, and inspect, repair, cultivate, irrigate, fertilize, fumigate, protect, care for, or maintain said property as Mortgagee may deem necessary. All sums expended by Mortgagee in doing any of the things in this mortgage authorized are secured hereby and shall be paid to Mortgagee by Mortgagor in said gold coin, on

demand, with interest from date of expenditure at the rate named in the promissory note secured hereby. [286]

C. In consideration of the indebtedness evidenced by said promissory note, Mortgagor waives all right either to apply for, or to procure, registration of said property or any part thereof under the provisions of the "Land Title Law," and hereby agrees:

1. That to bring said property or any part thereof under the operation of said law would impair the security of this obligation;

2. That Mortgagor will not cause or permit any part of said property to be brought under the operation of said law;

3. That if, at any time, the owner of any part of said property shall file a petition for registration, or if any part of said property be registered under the provisions of said law, filing such petition for registration, or such registration shall each constitute a default in performance of the covenants and agreements herein contained on the part of Mortgagor, and the whole sum of money secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and Mortgagee may proceed to foreclose this mortgage in accordance with its terms.

D. The maker thereof promises to pay said promissory note according to its terms and conditions, and in case of default in payment of principal or interest, when due, or in payment of any other money herein agreed to be paid, or in per-

formance of any covenant or agreement herein contained on the part of Mortgagor, the whole sum of money then secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and this mortgage may thereupon, or at any time during such default, be foreclosed, and filing of a complaint in foreclosure shall be conclusive notice of the due exercise of such option.

E. In the event of foreclosure, the decree may provide that the property therein described be ordered sold en masse, or in separate parcels, at the option of plaintiff in such action.

F. It is hereby agreed, as part of the security of Mortgagee, that if default should be made in payment of the principal of said promissory note, or in payment of any interest thereon when due, or in any other payment in this mortgage provided, or in any covenant or agreement herein provided to be performed by Mortgagor, then, and in each such case Mortgagee, without limitation or restriction by any present or future law, shall have the absolute right, upon commencement of any judicial proceeding to enforce any right under this mortgage, including foreclosure thereof, to appointment of a receiver of the property hereby mortgaged and of the revenues, rents, profits and other income thereof, and that said receiver shall have (in addition to such other powers as the court making such appointment may confer), full power to collect all such income and after paying all necessary expenses of such receivership and of operation, main-

tenance and repair on said property, to apply the balance to payment of any sums then due hereunder.

G. Mortgagor agrees that Mortgagee may at any time, without notice, and without affecting the personal liability of any person for payment of indebtedness hereby secured, or the lien of this mortgage upon the remainder of the mortgaged property for the unpaid portion of said indebtedness, release any part of said mortgaged property from the lien of this mortgage.

H. Every covenant, stipulation, promise and agreement herein shall bind and inure to the benefit of Mortgagor and Mortgagee and their respective successors in interest.

I. In this mortgage, whenever the context so requires, the masculine gender includes the feminine, the singular number includes the plural, and the words "Promissory Note" include all promissory notes or other evidences of indebtedness secured hereby.

It is stipulated and agreed, by and between the parties hereto, their successors and assigns, that all fire insurance upon the mortgaged premises, as provided for in paragraph "Third A 1" herein, shall be procured through the agency of C. E. Toberman Company, 6763 Hollywood Boulevard, Hollywood, Calif.

Witness the hands and seal of Mortgagors.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

Beverly Hills, Calif. [287]

State of California,
County of Los Angeles.—ss.

On this 1st day of November, 1924, before me, Norma D. Swan, a Notary Public in and for said County, personally appeared Stanley S. Anderson and Marguerite S. Anderson known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

[Notarial Seal] NORMA D. SWAN

Notary Public in and for the County of Los Angeles,
State of California.

My Commission expires Dec. 20, 1927.

MORTGAGE

Individual

Stanley S. & Marguerite S. Anderson
to

Hollywood Holding & Development Corporation
Dated November 1, 1924.

Title Insurance and Trust Company

Title Insurance Building

Los Angeles, California

Order No. 2636

When recorded please mail to Hollywood Holding & Development Corp., 6763 Hollywood Blvd., Hollywood, Calif.

Compared. Document, Newman. Book, Eads.

Recorded Nov 5 1924 15 min. past 1 P.M. in
Book 4156 at Page 355 of Official Records, Los

Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Mortgagee.

I certify that I have correctly transcribed this document in the above mentioned book. H. E. Olmstead, Copyist, County Recorder's Office, L. A. Co., Cal. 2.30/18 #107 [288]

\$20,000.00

Los Angeles, California, November 1, 1924

Three (3) years after date, for value received, I, We, or either of us promise to pay to HOLLYWOOD HOLDING & DEVELOPMENT CORPORATION or order, at 6763 Hollywood Boulevard, Hollywood, California, the sum of Twenty Thousand and no/100 Dollars, with interest thereon from date hereof, until paid, at the rate of seven (7) per cent. per annum, payable quarterly. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest therewith. Should default be made in payment of interest when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and interest payable in United States gold coin. This note is secured by a mortgage upon real property.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON

Beverly Hills Hotel

“ “ Calif.

The makers of this note reserve the right to pay the entire principal hereof at any time prior to maturity by paying in addition thereto ninety (90) days unearned interest, together with the accrued interest to date of such payment. Such accrued and bonus interest, added to interest already paid, not to exceed interest for entire period of note. [289]

Interest paid to August 1, 1925.

Pay to Commercial Building and Finance Corporation, without recourse.

Hollywood Holding and Development Corp.

C. E. Toberman Pres.

Parker V. Foster Secy.

Endorsement on interest 11/25 1925 \$350.00 to 11-1 1925.

Interest Paid to 11-1-25.

Pay to Hugo C. Boorse & Gerda Winner Boorse, as joint tenants with right of survivorship. Without recourse.

Commercial Building and Finance Corp.

C. E. Toberman Pres.

E. D. Dietz, Secy.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932. [290]

PETITIONER'S EXHIBIT 33.

State of California,
County of Los Angeles—ss.

On this 13th day of March, A. D. 1926, before me, Mary I. South, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Mary Sturdy, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal]

MARY I. SOUTH

Notary Public in and for said County and State.

[291]

SATISFACTION OF MORTGAGE

The SECURITY TRUST & SAVINGS BANK, a corporation duly organized and existing under the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles and MARY STURDY, a widow, do hereby certify and declare that a certain mortgage, bearing date the 29th day of February, 1924, made and executed by STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, Mortgagors, to MARY STURDY, a widow, Mortgagee, and recorded on the 12th day of March, 1924, in Book 3657, Page 337 of Official Records of Los

Angeles County, California, and duly assigned to the said SECURITY TRUST & SAVINGS BANK, by assignment recorded in Book 4206, Page 165 of Official Records of said Los Angeles County, California, on the 28th day of August, 1924, together with the debt thereby secured, is fully paid, satisfied and discharged.

IN WITNESS WHEREOF, The said Security Trust & Savings Bank has caused these presents to be duly signed by its Vice-President and Assistant Secretary and has caused its corporate seal to be hereunto affixed this 12th day of March, 1926.

[Seal] SECURITY TRUST & SAVINGS
BANK,
By E. G. Taylor, Vice-President,
By C. W. Brown, Assistant Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and seal this 13th day of March, 1926.

MARY STURDY

State of California,
County of Los Angeles—ss.

On this 13th day of March, 1926, before me, Mary I. South, a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared E. G. Taylor, known to me to be the Vice-President, and C. W. Brown, known to me to be the Assistant Secretary of the SECURITY TRUST & SAVINGS BANK, the corporation that executed the within and foregoing instrument, known to me to be the persons who executed the

yithin instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal]

MARY I. SOUTH

Notary Public in and for the County of Los Angeles, States of California.

LR:EB

[292]

#36992

SECURITY TRUST & SAVINGS BANK

Los Angeles, Cal.

and

Mary Sturdy

to

Stanley S. Anderson, et ux.

Satisfaction of Mortgage

(Assigned)

Dated March 12, 1926.

1174

Compared: Read by Ginford; Document, Young.

Order No.....

When recorded please mail this instrument to Stanley S. Anderson, c/o Beverly Hills Hotel, Beverly Hills, Calif.

Recorded Mar. 18, 1926 54 min. past 9 A.M. in Book 5647 at page 62 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Mortgagor.

I certify that I have correctly transcribed this

document in above mentioned book. L. Treuhauser,
Copyist, County Recorder's Office, L. A. Co., Cal.
#159 20/6 [293]

THIS MORTGAGE, Made February 29, 1924,
By Stanley S. Anderson and Marguerite S. Ander-
son, husband and wife, hereinafter called Mortgagor,
to Mary Sturdy, a widow, hereinafter called Mort-
gagee,

WITNESSETH: That Mortgagor hereby mort-
gages to Mortgagee the real property in the City of
Beverly Hills, County of Los Angeles, State of
California, described as follows:

Lot Four (4) in Block Three (3) of Beverly, as
per map recorded in Book 11, Page 94 of Maps in
the office of the County Recorder of Los Angeles
County.

including all buildings and improvements thereon
(or that may hereafter be erected thereon); to-
gether with all and singular the tenements, heredit-
aments and appurtenances, water and water rights,
pipes, flumes, ditches and other rights thereunto
belonging or in any wise now or hereafter apper-
taining thereto, and the reversion and reversions,
remainder and remainders, rents, issues and profits
thereof. [294]

For the purpose of securing

First: Payment of the indebtedness evidenced
by a promissory note (and any renewal or extension
thereof) in form as follows:

Los Angeles, California,

\$14,000.00

February 29, 1924

Two years after date, for value received, We, jointly and severally promise to pay to Mary Sturdy, a widow, or order, at Beverly Hills, California, the sum of Fourteen Thousand and 00/000 Dollars, with interest thereon from date until paid, at the rate of seven per cent. per annum, payable quarterly. Should interest not be so paid, it shall become part of the principal and thereafter bear like interest therewith. Should default be made in payment of interest when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and interest payable in United States gold coin. This note is secured by a mortgage upon real property.

(Signed) STANLEY S. ANDERSON.

MARGUERITE S. ANDERSON

U.S.I.R.S. \$2.80 affixed and cancelled.

The principal can be paid at any time before maturity by paying ninety (90) days unearned interest premium.

Second: Payment of attorney's fees, in a reasonable sum to be fixed by the Court and all costs and expenses in any action brought to foreclose this mortgage or in any action or proceeding affecting the rights either of Mortgagor or Mortgagee in said real property, whether such action or proceeding progress to judgment or not; also such sums as Mortgagee may pay for examination of title to,

or for surveying, the mortgaged property, all of which sums, including said attorney's fees, Mortgagor agrees to pay, and the same are hereby declared a lien upon said property and are secured hereby.

Third: Performance of every obligation, covenant, promise or agreement herein contained, direct or conditional, and repayment as herein provided of all sums advanced or expended by Mortgagee under the terms hereof.

A. 1. Mortgagor agrees to pay, when due, all taxes, assessments and incumbrances, which are or appear to be liens upon said property or any part thereof, including taxes, if any levied under the law of said State, upon this mortgage or the debt secured hereby, and hereby waives all right to treat payment of such taxes as a payment on such debt or as being to any extent a discharge thereof; Mortgagor also agrees to keep said buildings insured against fire, to the amount required by, and in insurance companies satisfactory to Mortgagee, and to assign the policies therefor to Mortgagee; and promptly to pay and settle (or cause to be removed by suit or otherwise) all adverse claims against said property.

2. In case said taxes, assessments, or incumbrances so agreed to be paid by Mortgagor be not so paid, or said buildings so insured and said policies so assigned, or said adverse claims so paid, settled or removed, then Mortgagee, being hereby made sole judge of the legality thereof, may, without notice to Mortgagor, pay such taxes, assessments or in-

cumbrances, obtain such policies of insurance and pay or settle or cause to be removed by suit or otherwise all such adverse claims.

3. In the event of loss under said policies of fire insurance, the amount collected thereon shall be credited first to interest then due upon said indebtedness, next upon any advances secured hereby and the remainder, if any, may, at the option of Mortgagee, be applied and credited upon principal in which case interest shall thereupon cease on the amount so credited on principal; or at the option of Mortgagee, said remainder may be released to Mortgagor for the purpose of making repairs or improvements upon said property, in which case Mortgagee shall not be obliged to see to the application of the sum so released, nor shall said remainder be deemed a payment of any indebtedness secured hereby.

B. Mortgagor agrees to keep said property in good condition and repair and to permit no waste thereof, and should said property, or any part thereof, require any inspection, repair, cultivation, irrigation, protection, care or attention of any kind or nature not provided by Mortgagor, then Mortgagee, being hereby made sole judge of the necessity therefor, may, without notice to Mortgagor, enter, or cause entry to be made upon said property, and inspect, repair, cultivate, irrigate, fertilize, fumigate, protect, care for, or maintain said property as Mortgagee may deem necessary. All sums expended by Mortgagee in doing any of the things in this

mortgage authorized are secured hereby and shall be paid to Mortgagee by Mortgagor in said gold coin, on demand, with interest from date of expenditure at the rate named in the promissory note secured hereby. [295]

C. In consideration of the indebtedness evidenced by said promissory note, Mortgagor waives all right either to apply for, or to procure, registration of said property or any part thereof under the provisions of the "Land Title Law," and hereby agrees:

1. That to bring said property or any part thereof under the operation of said law would impair the security of this obligation;

2. That Mortgagor will not cause or permit any part of said property to be brought under the operation of said law;

3. That if, at any time, the owner of any part of said property shall file a petition for registration, or if any part of said property be registered under the provisions of said law, filing such petition for registration, or such registration shall each constitute a default in performance of the covenants and agreements herein contained on the part of Mortgagor, and the whole sum of money secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and Mortgagee may proceed to foreclose this mortgage in accordance with its terms.

D. The maker thereof promises to pay said promissory note according to its terms and condi-

tions and in case of default in payment of principal or interest, when due, or in payment of any other money herein agreed to be paid, or in performance of any covenant or agreement herein contained on the part of Mortgagor, the whole sum of money then secured by this mortgage shall, at the option of the holder of said promissory note, become immediately due and this mortgage may thereupon, or at any time during such default, be foreclosed, and filing of a complaint in foreclosure shall be conclusive notice of the due exercise of such option.

E. In the event of foreclosure, the decree may provide that the property therein described be ordered sold *en masse*, or in separate parcels, at the option of plaintiff in such action.

F. It is hereby agreed, as part of the security of Mortgagee, that if default should be made in payment of the principal of said promissory note, or in payment of any interest thereon when due, or in any other payment in this mortgage provided, or in any covenant or agreement herein provided to be performed by Mortgagor, then, and in each such case Mortgagee, without limitation or restriction by any present or future law, shall have the absolute right, upon commencement of any judicial proceeding to enforce any right under this mortgage, including foreclosure thereof, to appointment of a receiver of the property hereby mortgaged and of the revenues, rents, profits and other income thereof, and that said receiver shall have (in addition to such

other powers as the court making such appointment may confer), full power to collect all such income and after paying all necessary expenses of such receivership and of operation, maintenance and repair of said property, to apply the balance to payment of any sums then due hereunder.

G. Mortgagor agrees that Mortgagee may at any time, without notice, and without affecting the personal liability of any person for payment of indebtedness hereby secured, or the lien of this mortgage upon the remainder of the mortgaged property for the unpaid portion of said indebtedness, release any part of said mortgaged property from the lien of this mortgage.

H. Every covenant, stipulation, promise and agreement herein shall bind and inure to the benefit of Mortgagor and Mortgagee and their respective successors in interest.

I. In this mortgage, whenever the context so requires, the masculine gender includes the feminine, the singular number includes the plural, and the words "Promissory Note" include all promissory notes or other evidences of indebtedness secured hereby.

WITNESS: the hand and seal of Mortgagor.

STANLEY S. ANDERSON

MARGUERITE S. ANDERSON [296]

State of California,
County of Los Angeles—ss.

On this 6th day of March, 1924, before me, M. C. Bond, a Notary Public in and for said County,

personally appeared Stanley S. Anderson and Marguerite S. Anderson, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

[Seal]

M. C. BOND

Notary Public in and for the County of Los Angeles. State of California.

My commission expires August 28, 1926.

36992

MORTGAGE

Individual

Stanley S. Anderson, et ux.

Dated February 29, 1924.

TITLE INSURANCE AND TRUST COMPANY

Title Insurance Building

Los Angeles, California

275

Order No. 737698

When recorded please mail to Beverly State Bank, Beverly Hills, California.

Compared: Document, Frazier; Book, Lloyd.

Escrow #658.

Recorded at request of Title Insurance & Tr. Co., Mar. 12, 1924 at 8:30 A. M. in Book 3657, Page 337 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

I certify that I have correctly transcribed this document in above mentioned book. A. Bradley,

Copyist, County Recorder's Office, L. A. Co., Cal.
2.20/17

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [297]

PETITIONER'S EXHIBIT 34.

4-Escrow #7907-JEM Copy

THIS MORTGAGE, Made the 28th day of August, 1926.

By CHARLES H. CHRISTIE, a single man, and STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, his wife, hereinafter called the Mortgagor, to the SECURITY TRUST & SAVINGS BANK, a corporation duly organized under the laws of the State of California, and having its principal place of business at the City of Los Angeles, California (which fact is hereby expressly admitted), Mortgagee;

WITNESSETH: That the Mortgagor hereby mortgages to the Mortgagee all that certain real property, situate in the City of and County of Los Angeles, State of California, and particularly described as follows:

That portion of the Subdivision of the Rancho San Jose de Buenos Ayres, as per map recorded in Book 26, Pages 19 to 25 inclusive, Miscellaneous Records of said County, described as follows:—

Beginning at a point in the Northwesterly line of the Pacific Electric Railway right of way, as shown on the map of Tract Number Fifty-six Hundred Nine (5609), recorded in Book 76, Pages 68 to 71

of Maps, Records of said County, distant North Seventy-one (71 degrees), Thirty-three (33) minutes, twenty (20'') seconds East Three Hundred Fifty and four hundredths (350.04) feet from the intersection of said Northwesterly line with the south easterly prolongation of the North-easterly line of Tract Number Seventy-five Hundred Fourteen (7514), as per map recorded in Book 80, Pages 81 and 82 of said Map Records; thence North Thirty-five (35) degrees, Thirty-eight (38') minutes, twenty (20'') seconds West One Thousand Six Hundred Twenty-two and four hundredths (1622.04) feet; thence North Fifty-two (52) degrees, six (06') minutes, thirty-six (36'') seconds East Six Hundred Thirty-six and nine hundredths, (636.09) feet; thence North Fifty-four (54) degrees, twenty-one (21') minutes, forty (40'') seconds East One Hundred Sixty-five (165) feet; thence South Thirty-five (35) degrees, thirty-eight (38') minutes, twenty (20'') seconds East Four Hundred Thirty (430) feet; thence North Fifty-four (54) degrees, twenty-one (21') minutes, forty (40'') seconds East One Hundred Sixty (160) feet to a point in the center line of Westwood Boulevard, as shown on the map of said Tract number Seventy Eight Hundred Three (7803), Sheets 1 and 2, recorded in Book 85, Pages 59 and 60 of said Map Records; thence South Thirty-five (35) degrees, Thirty-eight (38') minutes, twenty (20'') seconds East One Thousand Five Hundred Fourteen and twenty-eight hundredths (1514.28) feet to a point in the Northwesterly line of said

Pacific Electric Railway right of way; thence along said Northwesterly line, South Seventy-one (71) degrees, Thirty-three (33') minutes, twenty (20'') seconds West One Thousand and five and fifty-five hundredths (1005.55) feet to point of beginning.

EXCEPTING therefrom that portion lying Northeasterly of a line parallel with and distant southwesterly twenty (20) feet from the southwesterly line of Westwood Boulevard.

ALSO EXCEPTING therefrom the southwesterly thirty (30) feet thereof. [298]

Including all buildings and improvements thereon or that may be erected thereon; together with all and singular the tenements, hereditaments and appurtenances, easements, right-of-ways, water and water rights, wells, pumping stations, engines and appliances, pipes, flumes and ditches thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; for the purpose of securing the faithful performance of all the covenants, agreements and conditions herein set forth, and the performance of the promises and obligations of this mortgage and payment of the indebtedness evidenced by one promissory note (and any renewal or extension thereof) in words and figures as follows:

Los Angeles, California,
\$150,000.00 August 28th, 1926.

Three (3) years after date, and for value received, I promise to pay to the SECURITY TRUST

& SAVINGS BANK of Los Angeles, or order at its Hollywood Branch, Hollywood Boulevard and Cahuenga Avenue, in the City of Los Angeles, California, the sum of One Hundred Fifty Thousand and no/100 (\$150,000.00) Dollars, with interest from August 28th, 1926 until paid at the rate of Seven (7) per cent. per annum, payable quarterly. Should the interest not be so paid, it shall become part of the principal and thereafter bear like interest as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. Principal and interest payable in Gold Coin of the United States of the present standard. This note is secured by a mortgage of even date herewith upon real property.

(Signed) CHARLES H. CHRISTIE

(Signed) STANLEY S. ANDERSON

(Signed) MARGUERITE S. ANDERSON

Revenue Stamps in the amount of

\$.....affixed and cancelled.

The Mortgagor agrees to pay, as soon as due, all taxes, assessments and incumbrances, which may be, or appear to be, liens upon said property or any part thereof, including taxes levied or assessed upon this mortgage or upon the debt secured hereby, and hereby waives all right to treat the payment of such taxes or assessments as a payment on the debt hereby secured or as being to any extent a discharge thereof; and the Mortgagor agrees to keep said

buildings insured against fire, to the amount required by and in such insurance companies as may be satisfactory to the Mortgagee, and to assign the policies therefor to the Mortgagee; and to pay and settle promptly (or cause to be removed by suit or otherwise) all adverse claims against said property.

In case said taxes, assessments or incumbrances so agreed to be paid by the Mortgagor be not so paid, or said buildings so insured, and said policies so assigned, or said adverse claims so paid, settled or removed, then the Mortgagee, being hereby made the sole judge of the legality thereof, may, without notice to the Mortgagor, pay such taxes, assessments, or incumbrances, obtain such policies of insurance in its own name as Mortgagee, and pay or settle any or all such adverse claims or cause the same to be removed by suit or otherwise.

In the event of a loss under said policies of fire insurance, the amount collected thereon shall be credited, at the option of the holder of this mortgage; first, either to the interest due, if any, upon said indebtedness, and the remainder, if any, upon the principal sum, and interest shall thereupon cease on the amount so credited on said principal sum, or second, to be used in replacing or restoring the improvements partially or totally damaged, to a condition satisfactory to said Mortgagee.

The Mortgagor agrees to keep said property in good condition and repair and to permit no waste thereof, and should said property, or any part thereof, require any inspection, repair, cultivation,

irrigation or protection, other than that provided by the Mortgagor, then the Mortgagee, being hereby made the sole judge of the necessity thereof, and without notice to the Mortgagor, may enter, or cause entry to be made, upon said property, and inspect, repair, cultivate, irrigate or protect said property as it may deem necessary.

All sums expended by the Mortgagee in doing any or all of the things authorized in this mortgage, shall be secured hereby and shall be paid to the Mortgagee by the Mortgagor in said gold coin, on demand, together with interest from the date of payment, at the same rate of interest (compounded monthly until repaid) as is provided to be paid in the note hereinbefore set out.

The Mortgagor promises to pay said note according to the terms and conditions thereof; and in case of default in the payment of the same, or of any installment of interest thereon when due, or in the performance of any of the covenants or agreements herein contained on the part of the Mortgagor, the whole sum of money then secured by this mortgage shall become immediately due and payable at the option of the holder of said note, and this mortgage may thereupon, or at any time during such default, be foreclosed, and the filing of the complaint in foreclosure shall be conclusive of the exercise of such option by the Mortgagee without any other or further notice thereof to said Mortgagor.

In case any action be brought to foreclose this mortgage, or the Mortgagee institute, intervene, join

or defend any action affecting this mortgage or the property securing the same or any of its rights as such Mortgagee, then and in any or all of such cases, the Mortgagor agrees to pay all costs and expenses thereof, including a reasonable sum, to be fixed by the Court, as attorney's fees, whether suit progress to judgment or not; also such sums as the Mortgagee may pay for searching the title to the mortgaged property subsequent to the date of record of this mortgage, or for surveying said property and said attorney's fees; and all sums so paid or expended shall become due upon filing of the complaint, or appearing in any such action, shall be secured hereby, and shall be repaid to the Mortgagee in said gold coin.

In any such action to foreclose this mortgage, a Receiver shall, upon application of the plaintiff therein and as a matter of right, and without notice to the Mortgagor, be appointed by the Court to take charge of said property, to receive and collect the rents, issues and profits thereof, and apply them to the payment of the taxes, which may be due or become due during the pendency of this action and until sale be finally made, the costs, commissions of the receiver and his attorney's fees, in a reasonable sum to be fixed by the Court, and any deficiency on the obligations secured by this mortgage which may remain after the property shall have been sold and the proceeds thereof applied on the judgment secured in such foreclosure. [299]

It is also agreed that should this mortgage be foreclosed, then in the decree of foreclosure entered

in such action, the property described therein may be ordered sold en masse—or as one lot or parcel—and not as several parcels, at the exclusive option of the Mortgagee.

And also that the Mortgagee may at any time, without notice, release portions of said mortgaged premises from the lien of this mortgage without affecting the personal liability of any person for the payment of the said indebtedness or the lien of this mortgage upon the remainder of the mortgaged premises, for the full amount of said indebtedness then remaining unpaid.

This mortgage and the debt secured thereby may be satisfied and discharged at any time after one year from date hereof, and before maturity, upon payment of principal, accrued interest to date of payment, advances, if any, and ninety days' unearned interest, provided there is then existing no default of any of the terms and provisions of this mortgage or the note which it secures.

The Mortgagor also hereby covenants and agrees that if, during the life of this mortgage, proceedings be instituted for the registration of the hereinabove described land under the "Land Title Law," approved by the electors of California, and in effect December 19th, 1914, and any amendments thereof, or any other law governing the registration of titles to land, the Mortgagor will pay any sum or sums expended by the Mortgagee or its assigns in protecting its interests under this mortgage, including a reasonable attorney's fee, whether appearance be made in the action or proceeding to so register said

land or not, the said Mortgagee and its assigns being hereby made the sole judge of the necessity of incurring said expense and attorney's fee, and of the amount thereof. Any and all certificates or other evidence of title to said property shall be forthwith delivered to the Mortgagee to be held by it during the life of this mortgage.

In this instrument the masculine gender includes the feminine, and the singular number includes the plural whenever the context so requires; the words "Promissory Note" include all promissory notes or other evidence of indebtedness hereinbefore set forth for which this mortgage is intended to be security.

It is understood that there are no agreements or promises as to this mortgage, except as herein stated.

The Mortgagor also hereby mortgages the property hereinbefore described, to secure every promise and agreement therein contained, direct or conditional, and guarantees and affirms that said property is now free from any secret equities, trusts or incumbrances made or suffered by, or known to, said Mortgagor.

Every stipulation, agreement and appointment herein in favor of said Mortgagee, shall apply and inure to the benefit of its successors or assigns.

WITNESS: The hands and seals of said Mortgagor the day and year first above written.

(Signed) CHARLES H. CHRISTIE [Seal]

(Signed) STANLEY S. ANDERSON [Seal]

(Signed) MARGUERITE S. ANDERSON [Seal]

State of California,
County of Los Angeles—ss.

On this fourth day of September, 1926, before me, Claude Hill, a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared Stanley S. Anderson, known to me to be the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(Signed) CLAUDE HILL

Notary Public in and for the County of Los Angeles, State of California.

My Commission Expires April 21, 1928. [300]

MORTGAGE

Individual

.....
.....

to

Security Trust & Savings Bank
Los Angeles, Calif.

Dated.....

Order No.....

When recorded please mail this instrument to Hollywood Branch, Security Trust & Savings Bank, Hollywood Blvd., and Cahuenga Ave., Los Angeles, Calif.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [301]

PETITIONER'S EXHIBIT 35.

FULL RECONVEYANCE

THIS INDENTURE, Made this 5th day of September, A. D. 1925.

WITNESSETH: That whereas the indebtedness secured by a certain Deed of Trust made by Stanley S. Anderson and wife, to the TITLE GUARANTEE AND TRUST COMPANY, dated the 6th day of December, 1922, and recorded in Book 1799, page 290, of Official Records of the County of Los Angeles, State of California, has been fully paid, and it is desired to cancel and discharge the record thereof:

NOW THEREFORE, in consideration of such payment and the receipt of the fees for the execution of this release deed and at the request of the holder of the notes mentioned in said Deed of Trust, the TITLE GUARANTEE AND TRUST COMPANY does hereby remise, release and reconvey without warranty unto the holder or holders of the legal title when the Deed of Trust was executed and for the benefit of those who lawfully succeed thereto all the estate in the property described in said Deed of Trust and in said Deed of Trust granted and now held by said TITLE GUARANTEE AND TRUST COMPANY, reference being made to the record of said Deed of Trust for a particular description of said property, this conveyance being given as a full satisfaction and discharge of said Trust.

IN WITNESS WHEREOF, the said TITLE

GUARANTEE AND TRUST COMPANY has caused the corporate name to be signed to these presents by its Vice-President and attested by its Secretary, who has affixed its Seal, the day and year first above mentioned.

[Seal]

TITLE GUARANTEE AND
TRUST COMPANY.

By E. W. L. Franklin

Vice-President.

Attested A. R. Killgore

Secretary. [302]

State of California,
County of Los Angeles—ss.

On this 5th day of September, in the year 1925, before me John Floyd, a Notary Public in and for said County of Los Angeles, State of California, residing therein, duly commissioned and qualified, personally appeared E. W. L. Franklin, known to me to be the Vice-President, and A. R. Killgore, known to me to be the Secretary of the TITLE GUARANTEE AND TRUST COMPANY, the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

[Seal]

JOHN FLOYD

Notary Public in and for Los Angeles County, State
of California.

FULL RECONVEYANCE
 Title Guarantee and Trust Company
 to

.....

 Title Guarantee and Trust Company
 Paid up Capital and Surplus over
 Four Million Five Hundred Thousand Dollars
 Broadway at Fifth Street
 Los Angeles, California
 Order No. 599493 445

When recorded please mail this instrument to Beverly Hills Branch, Security Trust & Savings Bank, Beverly Hills, Calif.

Escrow #1719

Compared: Document, West; Book, Easton.

Recorded at request of Title Guarantee & Tr. Co., Dec. 9, 1925, at 8:30 A.M., in Book 4557, Page 61 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

I certify that I have correctly transcribed this document in above mentioned book. M. Grogan, Copyist, County Recorder's Office, L. A. Co., Cal.
 90/5

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [303]

PETITIONER'S EXHIBIT 36.

FULL RECONVEYANCE.

Know All Men by These Presents:

THAT WHEREAS, Title Insurance and Trust Company, a corporation having its principal place

of business at Los Angeles, California, Trustee under Deed of Trust executed by STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, Trustors and recorded November 5th, 1924 in Book 4269, Page 233 of Official Records in the office of the County Recorder of Los Angeles County, California, has, by reason of the payment of the indebtedness secured by said Deed of Trust, been duly requested and directed to reconvey without warranty, to the parties designated by the terms of said Deed of Trust, all right, title and interest now held by said Trustee under and by virtue of said Deed of Trust in and to the property therein described.

NOW THEREFORE, In Compliance with said request and direction, and in consideration of the sum of One Dollar, receipt of which is hereby acknowledged, and the payment of said indebtedness, said Trustee does hereby RECONVEY to the Person or Persons Legally Entitled Thereto, but without warranty, all right, title and interest now held by said Trustee under and by virtue of said Deed of Trust in and to the property therein described.

IN WITNESS WHEREOF, said Title Insurance and Trust Company, as Trustee, has caused its corporate name and seal to be hereto affixed by its Vice-President and Assistant Secretary, thereunto duly authorized, this 9th day of December, 1925.

[Seal]

TITLE INSURANCE AND
TRUST COMPANY, Trustee.

By L. J. Beynon

I.S.

Vice-President.

By C. M. Sperry,

Assistant Secretary.

State of California,
County of Los Angeles—ss.

On this 9th day of December, 1925, before me, P. L. Bishop, a Notary Public in and for said County, personally appeared L. J. Beynon, known to me to be the Vice-President, and C. M. Sperry, known to me to be the Assistant Secretary of Title Insurance and Trust Company, Trustee, the corporation that executed the foregoing instrument, and known to me to be the persons who executed the same on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same as such Trustee.

WITNESS my hand and official seal.

[Seal]

P. L. BISHOP

Notary Public in and for said County of Los Angeles, State of California. [304]

FULL RECONVEYANCE
of Property covered by Deed of Trust
No. 78402
from
Title Insurance and Trust Company
Trustee
to

.....
.....

Dated December 9th, 1925.

Title Insurance and Trust Company
Title Insurance Building
Los Angeles, California

Hollywood Holding & Dev. Corp., 6763 Hollywood Blvd., Hollywood, California.

Order No..... 1230

When recorded please return this instrument to.....

Compared: Record, Anderson; Document, L. C. Brown.

Recorded Dec 11, 1925 9 min. past 10 A.M., in Book 5703 at Page 60 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Grantee.

I certify that I have correctly transcribed this document in above mentioned book. L. Knutsen, Copyist, County Recorder's Office, L. A. Co., Cal. 90/4

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [305]

PETITIONER'S EXHIBIT 37.

FULL RECONVEYANCE

THIS INDENTURE, Made this 25th day of January, A. D. 1926.

WITNESSETH: That whereas the indebtedness secured by a certain Deed of Trust made by Stanley S. Anderson and Marguerite S. Anderson to the TITLE GUARANTEE AND TRUST COMPANY, dated the 31st day of January, 1924, and recorded in Book 3673, page 232, of Official Records of the County of Los Angeles, State of California, has been fully paid, and it is desired to cancel and discharge the record thereof:

NOW THEREFORE, in consideration of such payment and the receipt of the fees for the execution of this release deed and at the request of the holders of the notes mentioned in said Deed of Trust, the TITLE GUARANTEE AND TRUST COMPANY does hereby remise, release and reconvey without warranty unto the holder or holders of the legal title when the Deed of Trust was executed and for the benefit of those who lawfully succeed thereto all the estate in the property described in said Deed of Trust and in said Deed of Trust granted and now held by said TITLE GUARANTEE AND TRUST COMPANY, reference being made to the record of said Deed of Trust for a particular description of said property, this conveyance being given as a full satisfaction and discharge of said Trust.

IN WITNESS WHEREOF, the said TITLE GUARANTEE AND TRUST COMPANY has caused the corporate name to be signed to these presents by its Vice-President and attested by its Secretary, who has affixed its Seal, the day and year first above mentioned.

[Seal]

TITLE GUARANTEE AND
TRUST COMPANY.

By E. W. L. Franklin

Vice-President.

Attested A. R. Killgore

Secretary.

The undersigned owners of the notes secured by the Deed of Trust mentioned in the foregoing re-

lease deed, hereby request the execution and delivery of this release deed, being in full discharge of said Trust.

Leland P. Ruder, L.P.R.
O. N. Beasley O.N.B.
Beverly Investment Co. (Dissolved)
By G. H. Beekman, Trustee. [306]

State of California,
County of Los Angeles—ss.

On this 17th day of September, in the year 1926, before me E. B. Riggs, a Notary Public in and for said County of Los Angeles, State of California, residing therein, duly commissioned and qualified, personally appeared E. W. L. Franklin, known to me to be the Vice-President, and A. R. Killgore, known to me to be the Secretary of the TITLE GUARANTEE AND TRUST COMPANY, the Corporation that executed the within instrument. known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

[Seal]

E. B. RIGGS,
Notary Public in and for Los Angeles County, State
of California.

FULL RECONVEYANCE

Title Guarantee and Trust Company
to

Title Guarantee and Trust Company
Paid up Capital and Surplus over
Four Million Five Hundred Thousand Dollars
S. E. Cor. Broadway at Fifth Street
Los Angeles, California

69 Order No. 676174

When recorded, please mail this instrument to E. P. Adams, 601 Central Bldg., City.

Compared: Document, Lloyd; Book, Jensen.

Recorded at request of Title Guarantee & Tr. Co., Sep. 18, 1926 at 8:30 A.M. in Book 6350, Page 22 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

I certify that I have correctly transcribed this document in above mentioned book. I. Mann, #133. Copyist, County Recorder's Office, L. A. Co., Cal. 1.00/5

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [307]

 PETITIONER'S EXHIBIT 38.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:
That we, Stanley S. Anderson and Marguerite S. Anderson, husband and wife, of Los Angeles, County of Los Angeles, State of California have made, con-

stituted and appointed and by these presents do make, constitute and appoint EDWIN JANSS and HAROLD JANSS, or either of them, of Los Angeles, California, our true and lawful attorneys for us and in our names, place and stead, to Grant, Bargain, Convey and Sell all that portion of our real estate, or any part thereof, situated in the said City of Los Angeles, State of California, included within Tract No. 7514, recorded on December 11th, 1923 in Book 80 Pages 81 and 82, Official Records of Los Angeles County, and in Tract No. 7803, recorded February 1st, 1924 in Book 85 Pages 59 and 60, Official Records of Los Angeles County, for such price and on such terms as they, or either of them, shall deem best, and for us and in our names, to make, execute, acknowledge and deliver good and sufficient deeds and conveyances for said property or any part thereof;

Giving and granting unto our said attorneys, or either of them, full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as we might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that our said attorneys, or either of them shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 4th day of February, 1924.

[Signatures Cancelled] [VOID]

State of California,
County of Los Angeles—ss.

On the 4th day of February, 1924, before me M. C. Bond, personally appeared Stanley Anderson and Marguerite S. Anderson, known to me to be the persons who executed the foregoing instrument and they duly acknowledged that they executed the same.

[Seal]

M. C. BOND

Notary Public, County of Los Angeles, State of California.

My Commission Expires August 28, 1926. [308]

Janss Inv. Co.

5 & Broadway, L. A.

Return to:

JANSS INVESTMENT COMPANY.

1278

Compared: Document, West; Book, Easton.

Recorded Feb 8, 1924, 6 min. past 11 A.M. in Book 2994 at Page 243 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Appointee.

I certify that I have correctly transcribed this document in above mentioned book. M. S. Rhorer, Copyist, County Recorder's Office, L. A. Co., Cal.

1.00/6

45

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [309]

PETITIONER'S EXHIBIT 39.

KNOW ALL MEN BY THESE PRESENTS:

THAT I, Marguerite S. Anderson, of Beverly Hills, California, have made, constituted and appointed, and by these presents do hereby make, constitute and appoint Stanley S. Anderson, my husband, of the same place my true and lawful Attorney for me and in my name, place and stead, and for my use and benefit, to ask, demand, sue for, recover, collect and receive all such sums of money, debts, dues, accounts, legacies, bequests, interests, dividends, annuities and demands whatsoever, as are now or shall hereafter become due, owing, payable or belonging to me; and have, use and take all lawful ways and means in my name, or otherwise, for the recovery thereof, by legal process, and to compromise and agree for the same, and grant acquittances or other sufficient discharges for the same, for me and in my name, to make, seal and deliver; to bargain, contract, agree for, purchase, receive and take lands, tenements, hereditaments, and accept the seisin and possession of all lands, and all deeds, and other assurances in the law therefor; and to lease, let, demise, bargain, sell, remise, release, convey, mortgage and hypothecate lands, tenements and hereditaments, upon such terms and conditions, and under such covenants as he shall think fit. Also to bargain and agree for, buy, sell, mortgage, hypothecate and in any and every way and manner deal in and with goods, wares and merchandise, choses in action, and other

property in possession or in action; and to make, do and transact all and every kind of business of what nature and kind soever; and, also, for me and in my name, and as my act and deed, to sign, seal, execute, deliver, and acknowledge such deeds, covenants, indentures, agreements, mortgages, hypothecations, bottomries, charter parties, bills of lading, bills, bonds, notes, receipts, evidences of debts, releases and satisfaction of mortgage, judgment and other debts, and such other instruments in writing, of whatever kind and nature, as may be necessary or proper in the premises.

GIVING AND GRANTING unto my said Attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do if personally present; and hereby ratifying and confirming all that my said Attorney Stanley S. Anderson shall lawfully do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the 27th day of January, A. D. 1925.

MARGUERITE S. ANDERSON [Seal]
Signed, Sealed and Delivered in Presence of

..... [310]

KNOW ALL MEN BY THESE PRESENTS:
THAT I, Marguerite S. Anderson, of Beverly Hills, California, have made, constituted and appointed, and by these presents do hereby make,

constitute and appoint Stanley S. Anderson, my husband, of the same place my true and lawful Attorney for me and in my name, place and stead, and for my use and benefit, to ask, demand, sue for, recover, collect and receive all such sums of money, debts, dues, accounts, legacies, bequests, interests, dividends, annuities and demands whatsoever, as are now or shall hereafter become due, owing, payable or belonging to me; and have, use and take all lawful ways and means in my name, or otherwise, for the recovery thereof, by legal process, and to compromise and agree for the same, and grant acquittances or other sufficient discharges for the same, for me and in my name, to make, seal and deliver; to bargain, contract, agree for, purchase, receive and take lands, tenements, hereditaments, and accept the seisin and possession of all lands, and all deeds, and other assurances in the law therefor; and to lease, let, demise, bargain, sell, remise, release, convey, mortgage and hypothecate lands, tenements and hereditaments, upon such terms and conditions, and under such covenants as he shall think fit. Also to bargain and agree for, buy, sell, mortgage, hypothecate and in any and every way and manner deal in and with goods, wares and merchandise, choses in action, and other property in possession or in action; and to make, do and transact all and every kind of business of what nature and kind soever; and, also, for me and in my name, and as my act and deed, to sign, seal, execute, deliver, and acknowledge such deeds, coven-

ants, indentures, agreements, mortgages, hypothecations, bottomries, charter parties, bills of lading, bills, bonds, notes, receipts, evidences of debts, releases and satisfaction of mortgage, judgment and other debts, and such other instruments in writing, of whatever kind and nature, as may be necessary or proper in the premises.

GIVING AND GRANTING unto my said Attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do if personally present; and

State of California,
County of Los Angeles—ss.

On this 26th day of March, A. D., 1925, before me M. C. Bond, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Marguerite S. Anderson, known to me to be the person whose name is subscribed to the within Instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal]

M. C. BOND

Notary Public in and for said County and State.

My Commission Expires August 28, 1926. [311]

POWER OF ATTORNEY

(General.)

Marguerite S. Anderson,

to

Stanley S. Anderson.

Dated January, 1925.

Filed for Record at the request of.....
.....A. D. 19.....at.....min. past
.....o'clock, of.....page.....M.,
and recorded in Vol.....County
Records.

Recorder.

By.....

Deputy Recorder.

1228

When recorded please return to Beverly Hills Branch, Security Trust & Savings Bank of Los Angeles, Beverly Hills, Calif.

Compared. Document, Wicks. Book, McEwen.

Recorded Mar 31 1925 21 min. past 9 A. M. in Book 3921 at Page 288 of Official Records, Los Angeles County, Cal. C. L. Logan, County Recorder.

Recorded at request of Attorney.

I certify that I have correctly transcribed this document in above mentioned book. F. L. Bradbury, Copyist, County Recorder's Office, L. A. Co., Cal. #44. 1.00/6.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun. 14, 1932. [312]

PETITIONER'S EXHIBIT 40.

Memorandum of Agreement between STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, husband and wife, hereinafter referred to as "Mr. Anderson" and "Mrs. Anderson", respectively,

WITNESSETH:

WHEREAS the parties hereto were married in 1914 and at the time of said marriage neither had any property, and shortly thereafter an agreement was made between them to the effect that all property acquired by either after the date of their marriage, whether separate or community, should be deemed to be and should constitute the property of both of them as tenants in common, each owning an undivided one-half interest therein; and

WHEREAS about this time or shortly thereafter Mrs. Anderson received from her father, as a gift to her, various sums of money aggregating in all approximately \$20,000.00, which she turned over to Mr. Anderson when and as received to invest under said agreement; and

WHEREAS Mr. Anderson used said money, together with various earnings of both of them and various property which he received by gift from his mother, and proceeds and avails of all of said property, in purchasing, owning and selling real estate and other property, and for the purpose of convenience has carried the legal title to all property so acquired in his own name, but as trustee for himself and Mrs. Anderson as tenants in common, and said [313] property has at all times consti-

tuted and does now constitute the property of the parties hereto as tenants in common, each owning an undivided one-half interest therein; and

WHEREAS the parties desire to confirm the agreement between themselves hereinbefore referred to and to reduce the same to writing and thenceforward to have the legal title to all real property acquired by them during their said marriage, from whatever source, held in their joint names as tenants in common pursuant to said agreement:

NOW, THEREFORE, it is MUTUALLY AGREED by and between the parties hereto as follows:

1. All property whatsoever, whether separate or community, heretofore or hereafter acquired by either of the parties hereto since and during their marriage and howsoever the legal title thereto may be held, constitutes the property and is owned by them jointly as tenants in common, each owning an undivided one-half interest therein as his and her respective separate property, and none of said property, no matter how the legal title thereto may be held, is or shall be owned in any other way than as tenants in common, each owning an undivided one-half interest therein as his and her respective separate property.

2. Mr. Anderson agrees forthwith to execute to Mrs. Anderson proper deeds of transfer and conveyance conveying to her the legal title to an undivided one-half [314] interest in and to all real property which now stands in his name except that referred to in paragraph 4 hereof, and the parties

hereto agree that all real property hereafter acquired by them or either of them except that of the character referred to in paragraph 4 hereof shall be carried in the joint names of the parties hereto as tenants in common. A description of said real estate is annexed hereto marked Exhibit A and is hereby referred to and made a part hereof.

3. The parties hereto agree that Mr. Anderson shall continue to carry all of the personal property owned by the parties hereto as tenants in common in his own name, as trustee for the parties hereto as tenants in common, with full power, with Mrs. Anderson's written consent first obtained, and not otherwise, to sell, mortgage, exchange, real in or improve the same, and agree that all personal property hereafter acquired by the parties hereto shall, unless otherwise agreed, be carried in the name of Mr. Anderson as like trustee and with like powers. All gains and losses heretofore made have been shared by the parties hereto equally, and all future gains and losses shall continue to be shared by the parties hereto share and share alike. A list of the stocks, bonds and other personal property now owned by the parties hereto and hereinabove referred to is annexed hereto marked Exhibit B and is hereby referred to and made a part hereof.

4. In addition to the property referred to in the [315] above paragraphs 2 and 3, the parties hereto jointly own, as tenants in common, interests in certain syndicates, or deals with the Janss Investment Company and its associated companies, including lot sales contracts, and accounts receivable

in connection therewith, and interests in property jointly with others, all of which has been carried in the name of Mr. Anderson. The parties hereto agree that all of said property interests, except the interests in the said syndicates, shall be continued to be carried in the name of Mr. Anderson, together with any similar interests hereafter acquired, but for the use and benefit of both Mr. and Mrs. Anderson as owners thereof, as tenants in common. The interests of the parties hereto in said syndicates shall thenceforward be carried in the joint names of the parties hereto, and Mr. Anderson agrees to immediately cause the legal title thereto to be transferred to their joint names.

STANLEY S. ANDERSON [Seal]

MARGUERITE S. ANDERSON [Seal]

[316]

State of California,
County of Los Angeles.—ss.

On this 8 day of June, A. D., 1932, before me, Frances McCourt, a Notary Public in and for said County and State, personally appeared STANLEY S. ANDERSON and MARGUERITE S. ANDERSON, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal]

FRANCES McCOURT

Notary Public in and for said County and State.

[317]

EXHIBIT A

REAL ESTATE

Owned by Mr. and Mrs. Anderson,
as Tenants in Common

Parcel No.

- 1
(Hoagland property)
- The SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 4; the S $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Sec. 5; the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Sec. 5; the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Sec. 6; all in Township 1, S, R 17 W, S.B.M.—except therefrom the N-ly 100 ft. of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of said Sec. 4, situated in the County of Los Angeles, described in Trustee's Deed upon Sale dated Feb. 15, 1932, Security-First National Bank of Los Angeles to Stanley S. Anderson, recorded in Book 11485, at page 84, of Official Records of Los Angeles County.
- 2
(Arcade)
- Lot 4 in Block 3 of Beverly, as per map recorded in Book 11, page 94 of Maps, in the office of the County Recorder of Los Angeles County, as described in Grant Deed dated March 5, 1924, J. R. Moulthrop to Stanley S. Anderson, recorded March 12, 1924, in Book 3649, p. 322, of Official Records, Los Angeles County.
- 3
(Arcade)
- Lot 2 and Lot 3 in Block 3 of Beverly, as per map recorded in Book 11, page 94 of Maps, in the office of the

County Recorder of Los Angeles County, subject to conditions, restrictions and reservations of record, described in Grant Deed dated March 5, 1924, J. R. Moulthrop to Stanley S. Anderson, recorded March 18, 1924, in Book 3736, page 24, of Official Records of Los Angeles County.

4

(Young's)

Lots 1 and 2 in Block 2 of Beverly, as per Map recorded in Book 11, page 94 of Maps in the office of the County Recorder, subject to conditions, restrictions and reservations contained in deeds from Rodeo Land and Water Company recorded in Book 3136, page 151, of Deeds, affecting said Lot 1, and in Book 3160, page 97, of Deeds, Records of said County, affecting said Lot 2, described in Grant Deed dated May 5, 1916, Mary C. Taylor and G. L. Taylor to Stanley Anderson, recorded July 26, 1916, in Book 6275, page 242, of Deeds, Records of Los Angeles County.

5

(MacLean's)

Lot 25, in Tract 6073, as per map recorded in Book 63, pages 12 and 13 of Maps, in the office of the County Recorder of Los Angeles County, as described in Grant Deed dated Sept. 30, 1929, Douglas McLean and Faith MacLean and James W. Horne and

Cleo Freda Horne to Stanley S. Anderson, recorded Oct. 5, 1929, in Book 8251, page 395, of Official Records, Los Angeles County.

- 6
(Arcade) Lot 1 in Block 3 of Beverly as designated and shown on map of said Beverly recorded in Book 11, page 94 of Maps in the office of the County Recorder of Los Angeles County, described in Deed dated April 14, 1916, Rodeo Land & Water Company to Stanley S. Anderson, recorded July 26, 1916, in Book 6271, page 288 of Deeds, Records of Los Angeles County. [318]

Parcel No.

- 7
(Rodeo) Lot 23, in Block 1 of Beverly, in the City of Beverly Hills, County of Los Angeles, State of California, as per map recorded in Book 11, page 94 of Maps, in the office of the County Recorder of said county, described in Grant Deed dated April 14, 1916, Mary MacBean and Isabella MacBean to Stanley S. Anderson, recorded July 26, 1916, in Book 6307, page 132, of Deeds, Records of Los Angeles County.
- 8
(Rodeo) Lot 24 in Block 1 of Beverly, as described and designated and shown on Map of said Beverly recorded in Book

11, page 94 of Maps, in the office of the County Recorder of said county—subject to the restrictions in deed between the Rodeo Land and Water Company, a corporation, and O. M. Newby, dated October 4, 1912, and recorded on October 22, 1912, in Book 5229, of Deeds, at page 144, in the office of the County Recorder of said Los Angeles County—described in Grant Deed dated April 15, 1916, O. Franklin Thayer and Enona M. Thayer to Stanley S. Anderson, recorded in Book 6275, page 241, of Deeds, Records of Los Angeles County.

9
(Residence) A portion of Sections 10 and 11, Township 1 S, R. 15 W, S.B.B.&M., bounded and described as set forth in Deed dated August 22, 1921, from Title Guarantee and Trust Company to Stanley S. Anderson, recorded September 20, 1921, in Book 563, page 88, of Official Records, Los Angeles County.

10
(Stabler's) Lots 1 and 2 in Block 4 of Beverly, as per map recorded in Book 11, page 94 of Maps, in the office of the County Recorder of Los Angeles County; excepting therefrom the West 10 feet thereof as conveyed to the City of

Beverly Hills for street purposes, subject to the covenants, conditions, restrictions, reservations, rights, rights of way and easements of record,—described in Corporation Grant Deed dated February 23, 1932, Stabler Bros. Inc. to Stanley S. Anderson et ux as joint tenants, recorded Mar. 25, 1932 in Book 11510, page 124 of Official Records of Los Angeles County.

11
(Rogue
River
Ranch)

Lots 3, 6, 7, 8 and 9 of Sec. 30 in Township 34 S, R 11 W, Willamette Meridian, containing 140.55 acres according to the Government Survey thereof, situated in the County of Curry, State of Oregon, as described in Warranty Deed dated November 2, 1929, Chas. D. Cunningham et ux to Stanley S. Anderson, recorded November 5, 1929, in Book 20, page 297, Record of Deeds of Curry County, Oregon.

12
(Rogue
River
Ranch)

Lots 4, 10 and 11 of Sec. 9, in Township 34 S, R 11 W, Willamette Meridian, Oregon, containing 71.04 acres, as described in Warranty Deed dated October 23, 1929, Madge D. Ellsworth and D. E. Ellsworth to Stanley S. Anderson, recorded November 5, 1929, in Book 20, page 296,

Record of Deeds of Curry County,
Oregon. [319]

Parcel No.

13
(Rogue
River
Ranch)

Lots 1 and 3, S $\frac{1}{2}$ of SW $\frac{1}{4}$ of NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 9, and Lots 5 and 13 of Sec. 10, in Township 33 S of R 10 W of Willamette Meridian, Oregon, containing 159.95 acres, as described in Indenture dated March 11, 1930, George W. Billings and Sarah Ann Billings to Stanley S. Anderson, recorded March 20, 1930, in Curry County Records, Book of Deeds, Vol. 20, page 409.

[320]

EXHIBIT B

STOCKS

Owned Jointly by Mr. and Mrs. Anderson

No. of Shares	Certificate Number	Company
500	B 301	Security-First National Bank
50	04075	
500 Common A	A 381	Fir-Tex Company
250 Common B	B 461	
1000 Common B	B 282	
Membership	6	Santa Monica Beach Club
Life Membership	151	Hollywood Country Club
5	261	Christie Realty Corporation

No. of Shares	Certificate Number	Company
20	A 05677	Southern California Edison
100 Common	NY 124723	Westinghouse
100 Common	NY 124722	Electric and
100 Common	NY 124721	Mfg. Company
100 Common	NY 124720	
50	NY0337029	
100 Preferred	482	Consolidated Rock
100 Preferred	481	Products
100 Preferred	480	
100 Preferred	479	
100 Common	297	
100 Common	296	
100 Common	985	
36 Common	01914	
	1066	California Club
	NN	International
63 Without Par Value	F 235932	Telephone & Telegraph
100	NN 73247	
100	NN 73246	
100	NN 73245	
100	NN 73244	
100	NN 73243	
	Exh. B, 2	
100	R 299	Bankers Securities
100	R 298	Corp.
100	R 297	

No. of Shares	Certificate Number	Company
100	R 296	
100	R 295	
100	R 294	
100	R 293	
100	R 292	
100	R 291	
100	R 290	
1	5	Benedict Canyon
15	25	Mutual Water Company
62½	10	Fox Westwood
130½	21	Realty Co., Ltd.

Together with any and all other stocks and/or bonds standing in the name of Mr. and/or Mrs. Anderson. [322]

Duplicate Original
 AGREEMENT
 by and between
 Stanley S. Anderson
 and
 Marguerite S. Anderson
 Dated June, 1932
 Law Offices
 Call & Murphey
 514 Pacific Mutual Bldg.
 Los Angeles, Cal.

[Endorsed]: United States Board of Tax Appeals. Admitted in evidence Jun 14, 1932. [323]

324

Pet Ex 41

NAME OF PROPERTY *Youngs Brewery #1*
 LOCATION *Burton Way & Kales Drain*
 LOT *135,000.00*
 FEET FRONT ON *67,788.00*
 STREET AND *102,788.00*
 STREET
 FEET DEEP BETWEEN STREET

IMPROVEMENTS
 VALUE OF LAND
 VALUE OF IMPROVEMENTS
 TOTAL VALUE

LEGAL DESCRIPTION: *John M. S. Anderson*
Lots 1 & 2, Block 2

MORTGAGE \$
 MORTGAGE
 DUE
 INTEREST FROM
 INTEREST PAYABLE
 10 AT
 WHERE

INVESTMENT RECORD		INSURANCE		
DATE	DESCRIPTION	PURCHASE PRICE	DEVELOPMENT IMPROVEMENTS	
<i>7/6/14</i>	<i>L. Assessment</i>	<i>135,000.00</i>	<i>67,788.00</i>	
<i>Dec 2</i>	<i>newly</i>	<i>167.93</i>		
<i>newly</i>	<i>dry 2nd</i>	<i>82.41</i>		
<i>newly</i>		<i>36.52</i>		
<i>newly</i>		<i>77.12</i>		
COMPANY OR AGENT	SOLD FOR	POLICY NUMBER	EXPIRATION	AMOUNT

ACCOUNT of *James D. Co.* Joint *M. D. Anderson* ACCOUNT NO.

SHEET NO.

FORM 6-18

SMALLER S. MARY CT. ST., BOSTON, MASS.

RES. U. S. PAT. OFF. STANDARD HOSPITAL ACCOUNT

DATE	DESCRIPTION	POST. RET.	CHARGES	CREDITS	DR. CR.	BALANCE
1926						
Jan 1 1926						
Feb 31			3106 48	2163 87		2899 89
Mar 31				3832 50		6732 39
Apr 31				21250 -		8857 39
May 31				4150 -		13007 39
Jun 31				4000 -		17007 39
Jul 31				3000 -		20007 39
Aug 31				8500 -		28507 39
Sep 31				25000 -		53507 39
Oct 31						
Nov 31						
Dec 31						
1927						
Jan 31						
Feb 31						
Mar 31						
Apr 31						
May 31						
Jun 31						
Jul 31						
Aug 31						
Sep 31						
Oct 31						
Nov 31						
Dec 31						
1928						
Jan 31						
Feb 31						
Mar 31						
Apr 31						
May 31						
Jun 31						
Jul 31						
Aug 31						
Sep 31						
Oct 31						
Nov 31						
Dec 31						

878
E38
40
926

To P. L.

To P. L.

277339

223

DATE	DESCRIPTION	POST. REF.	CHARGES	CREDITS	BALANCE	
					DR. AMOUNT	CR. AMOUNT
Jan 1	Merch. Lent	JK		4726.00		
Jan 31		Jr		400.00		
Feb 28		J1		200.00		
Mar 31		J2	500.00	400.00		
Apr 30		J3		400.00		
May 31		J4		400.00		
June 30	June 907	C6	109.65	6,576.00		5,226.00
July 31	July 907	C8	1000.00			5,916.50
Aug 31		9	1894			6,777.41
Sept 30		"	5000.00			
Oct 31		J6	5500.00			
Nov 30		C13	2000.00			
Dec 31		15	1000.00			
Jan 31		J8	1660.00			1167.41
Feb 28		C19	1351.50			16.91
Mar 31		"12	1000.00			217.12
Apr 30	Primer Merch. Lent		834.53	500.00		752.59
May 31		C20	500.00	400.00		
June 30		25	300.00			
July 31		C31		1000.00		1749.88
Aug 31				500.00		1249.88

[Title of Court and Cause.]

AMENDED PRAECIPE FOR TRANSCRIPT
OF RECORD ON APPEAL.

To the Clerk of the United States Board of Tax Appeals:

Please prepare and issue a certified transcript of record in the above-entitled case on appeal to the United States Circuit Court of Appeals for the Ninth Circuit, consisting of the following documents:

1. The docket entries of proceedings before the United States Board of Tax Appeals in the case above entitled.

2. Pleadings before said Board, as follows:

(a) Petition for redetermination.

(b) Answer of respondent.

(c) Amended petition filed June 14, 1932.

3. Findings of fact, opinion, and decision of the Board.

4. Petition for review. [329]

5. Statement of the evidence agreed upon, including copies of Exhibits 1 to 43, inclusive, which are to be made a part of such statement of evidence.

6. This praecipe.

You will please duly certify said documents as correct and transmit them to the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit within sixty days from the date of

the filing of the petition for review and notice in the above-entitled case.

(Sd.) WARD LOVELESS,
920 Southern Building,
Washington, D. C.
Attorney for Petitioner. [330]

[Title of Court and Cause.]

CERTIFICATE

I, B. D. Gamble, clerk of the U. S. Board of Tax Appeals, do hereby certify that the foregoing pages, 1 to 330, inclusive, contain and are a true copy of the transcript of record, papers, and proceedings on file and of record in my office as called for by the Praeceptum in the appeal as above numbered and entitled.

In testimony whereof, I hereunto set my hand and affix the seal of the United States Board of Tax Appeals, at Washington, in the District of Columbia, this 9th day of October, 1933.

[Seal]

B. D. GAMBLE

Clerk, United States Board of Tax Appeals.

[Endorsed]: No. 7307. United States Circuit Court of Appeals for the Ninth Circuit. Stanley S. Anderson, Petitioner, vs. Commissioner of Internal Revenue, Respondent. Transcript of the Record. Upon Petition to Review an Order of the United States Board of Tax Appeals.

Filed Oct. 16, 1933.

PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

